

***PRSP Institutionalisation Study:
Final Report***

**Chapter 2:
Institutionalising the PRSP
approach in Benin**

Thomas Bierschenk
University of Mainz, Germany

Elisabeth Thioléron
Paris

Nassirou Bako-Arifari
National University of Benin, Cotonou

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Contents

<i>List of acronyms</i>	iv
<i>Summary</i>	vi
1 Introduction	1
2 The country context	3
Basic macroeconomic and human development information	3
The aid context and debt	4
Key political and social features	8
Previous poverty plans	17
3 The PRSP in Benin: the process and the response	20
Basic facts on the I-PRSP and PRSP process	20
Stakeholders' views on the PRSP process	24
Government capacities and motivation	25
Donor responses and participation in the PRSP process	25
Participation and its limits	27
4 Potential for institutional change	29
Budgetary reform	29
Donors and the "programme approach"	34
Ownership, participation and the politics of poverty reduction	35
5 Monitoring and information	39
6 Conclusions and implications	43
References	46
<i>Annex 1: List of persons met</i>	49

List of acronyms

ADB	African Development Bank
AGEFIB	Agence de Gestion et de Promotion des Initiatives à la Base
AGETUR	Agence d'Exécution des Travaux Urbains à Haute Intensité de Main-d'œuvre
APE	Associations des Parents d'Elèves/Parents' Associations
BADEA	Banque Arabe pour le Développement Économique en Afrique
BOAD	Banque Ouest-africaine pour le Développement
BWIs	Bretton Woods Institutions
CAS	Country Assistance Strategy
CCI	Chamber of Commerce and Industry
CDF	Comprehensive Development Framework
CEDEAO	Communauté Économique des États de l'Afrique de l'Ouest (see ECOWAS)
CFA	Communauté Financière Africaine
CNDLP	Commission Nationale pour le Développement et la Lutte contre la Pauvreté
CSO	Civil society organisation
DANIDA	Danish International Development Agency
DCPE	Document-cadre de politique économique (= Policy Framework Paper/PFP)
DSD	Dimension Sociale du Développement (see SDA)
ECOWAS	Economic Community of West African States (see CEDEAO)
ESAF	Enhanced Structural Adjustment Facility
EU	European Union
GoB	Government of Benin
GTZ	Gesellschaft für Technische Zusammenarbeit (German Technical Cooperation Agency)
HDI	Human Development Index
HIPC	Highly Indebted Poor Country
IFIs	International Finance Institutions
IGF	Inspection Générale des Finances
IMF	International Monetary Fund
INSAE	Institut National de Statistique et d'Analyse Economique
IUED	Institut Universitaire d'Etudes de Développement
M&E	Monitoring and Evaluation
MADEP	Mouvement Africain pour la Démocratie et le Progrès
MP	Member of Parliament
MPREPE	Ministère du Plan, de la Restructuration Économique et de la Promotion de l'Emploi
MSC	Minimum Social Commun
MTEF	Medium Term Expenditure Framework
OCS	Observatoire de Changement Social
ODA	Official Development Assistance
ODI	Overseas Development Institute
OECD	Organisation for Economic Cooperation and Development
PADME	Projet d'appui au développement des micro-entreprises
PAPME	Projet d'appui aux petites et moyennes entreprises

PASU	Programme d'actions sociales urgentes
PERC	Public expenditure reform and credit
PNUD	Programme des Nations unies pour le développement (= UNDP)
PRGF	Poverty Reduction and Growth Facility
PRSP	Poverty Reduction Strategy Paper
QUIM	Qualitative Impact Monitoring
SAL	Structural Adjustment Loan
SAP	Structural Adjustment Programme
SDA	Social Dimension of Adjustment
SOBEMAC	Société Béninoise de Mécanique Appliquée
SONACOP	Société Nationale de Commerce Pétrolier
SYGFIP	Système de Gestion des Finances Publiques
TC/CNDLP	Technical Committee of the CNDLP
TS/CNDLP	Technical Secretariat of the CNDLP
UEMOA	Union Économique et Monétaire OuestAfricaine
UNB	Université Nationale du Bénin
UNDP	United Nations Development Programme
US/GAO	United States General Accounting Office
USAID	United States Agency for International Development

US\$1 is equivalent to approximately CFA F750.

Summary

The present report investigates the extent to which poverty reduction policies, programmes, practices and monitoring systems are being institutionalised in Benin. It was commissioned by the Overseas Development Institute (ODI), based in London, within the framework of a comparative study of eight African countries commissioned by the PRSP-Process and Poverty Monitoring Task Teams of the Strategic Partnership with Africa (SPA). A team of three international consultants, based in Benin, France and Germany respectively, visited the country in November 2000 and June 2001 and drafted the present report.

Benin is one of the poorest countries in the world, ranking 151st on UNDP's HDI list of 174. Good macro-economic performance and two adjustment programmes in the last ten years have not significantly altered this fact; neither have they changed the inherently fragile nature of the Beninese economy. The country is heavily dependent on aid, which financed over 30% of public expenditures and 80% of public investments over the 1992-97 period, with two thirds of Official Development Assistance (ODA) going to social sectors. However, because of administrative and other shortcomings, barely one third of this aid is absorbed. External debt stands at US\$ 1.3 billions in 1999. After submitting an I-PRSP in late 2000, Benin became eligible for the Enhanced HIPC initiative under which total debt reduction would be US\$ 460 million over a 20-year period.

Benin is often cited as a model democracy in the African context, but in many respects the institutionalisation of a pluralist democracy and of the rule of law remains incomplete. Local democracy has not been introduced, with decentralisation stalled since 1993. Both on the national as on the local level, the political system is characterised by a high degree of clientelism, institutional and legal pluralism, politicisation of administration, rampant corruption and weak State regulatory and implementation capacities. The country's heavy dependence on aid is the context for the prevalence of rent-seeking in the closely articulated economic and political spheres.

Benin's aid-dependent neopatrimonial democracy has achieved relative social and ethnic peace for the country – which is a remarkable political achievement and contrasts starkly with the regional situation. But this has been at the cost of political immobility. Since the advent of multi-party democracy in 1990, most major reform projects have been blocked or have proceeded only exceedingly slowly. There is a flourishing associational sector, but civil society and the private business sector have barely emancipated themselves from the State. Parliament's constitutional role is restricted. And neither political parties nor the very lively media are well equipped to organise public debates on complex policy choices.

The PRSP approach interacts with this context, being constrained by it while at the same time trying to fundamentally alter it.

Benin has a long history of anti-poverty policies and programmes going back to the late 1980s, with a rhetoric that, from the mid-1990s onwards, increasingly

resembles that of the current PRSP approach. In fact, concrete measures were almost exclusively concerned with preserving access for the poor to essential social services. These programmes were initiated in close cooperation with, sometimes by, foreign donors, and they were often formulated on the base of national consultative exercises. The current PRSP approach differs from these previous programmes, in the eyes of local stakeholders, mainly in that the IMF and the World Bank have decided to address poverty issues within the macroeconomic framework, and that within the country, the lead has changed from the Planning Ministry to the Finance and Economics Ministry (F&E Ministry).

After a period of standstill due to presidential elections, the government is now drafting a full PRSP which can be expected to be ready by the end of 2001. In the course of preparation, a series of consultative meetings were undertaken on a national and a provincial level. Due to perceived time pressure, the results from this participative consultation are not considered to be of high technical quality. In any case, the seminars only reached a tiny part of the population. However, they marked the first time since 1989 that high-level technicians from central government toured the country to explain government policy initiatives to the population.

Media coverage of the PRSP approach has been limited. Parliament and parliamentarians have hardly been involved so far, but might receive more information in the future. A private lobby group is drafting an alternative PRSP. All activities in preparing the full PRSP have been aid-financed. Following slippage in the original calendar, the incoming government has now finalised its Five-Year-Programme which makes no reference to the PRSP approach, and mentions poverty reduction as only one among seven key policy objectives.

The PRSP initiative has given a push to budget reform measures that had preceded it, and with which the PRSP is closely articulated. The budget reform rests on a number of key elements: introduction of a unified budget and a Medium term expenditure framework (MTEF), Public Expenditure Reform and Credit (PERC) for currently five ministries, to be eventually included in the MTEF, a computerised system for tracking public expenditures, and enforced audit mechanisms. The Government of Benin (GoB) has faced problems in handling all these innovations concurrently, resulting in reform overload and resentment of lower-level staff. Unsolved problems include the country's notoriously weak financial control mechanisms that in the past were systematically undermined for political reasons. Recent efforts of revamping control and audit units have been frequently sidetracked, in some case even increasing corruption.

Donors are generally in a fairly positive "wait-and-see" mode, with bilateral donors prepared to let the BWIs take the lead. Most donors, while keeping a distance from the actual drafting of the PRSP, are actively assisting the process, including the budget reform, with financial support and technical assistance. However, the process is seen as potentially over-financed, and it is feared that excessive use of TA could strengthen the dependency syndrome. There is no specific donor forum for dealing with the PRSP approach but donors seem to use regular meetings in other contexts to keep each other informed. Some donors are actively, if cautiously, considering the adoption of programme approaches, but

not all seem to be convinced that in the present political context, this is a viable strategy.

Ownership of the PRSP process is limited to a small group of high-ranking, highly competent, highly motivated and hard-working civil servants. Many in this group have been in close professional contact with donors for a long time and have internalised the approach. Outside this core group – in other parts of the administration, among politicians, in civil society – knowledge of the process is limited. The locus of programme initiation is seen by all as being within the donor community, though this is coupled with a sense that the BWIs are finally coming on board on poverty reduction. PRSP is not the only big issue for the new government, which did not wait for the finalisation of the PRSP to adopt its five-year-programme.

Benin's database for poverty analysis and monitoring, which had been created in the 1990s mainly with UNDP support, is considered relatively satisfactory but running rapidly out of date. The focus has been on large-scale quantitative surveys. Dissemination of findings, in particular outside the administration, is very limited, and access to data a serious problem. The I-PRSP contained nothing on Monitoring and Evaluation. A seminar was planned for July 2001 to structure GoB's thinking on the issue. In the context of the full PRSP approach, regional committees have been set up to eventually monitor implementation, and GoB has requested donor assistance to reactivate the structures that undertook the quantitative surveys of the 1990s. This might be supplemented by an integration of poverty indicators in the national macro-economic model and by the adoption of a QUIM approach.

The study concludes that it would be realistic not to expect too much too fast from the PRSP approach, in view of the magnitude of the task ahead; that the success of the approach depends at least as much on changes in donor behaviour as on changes in government practices; that the approach needs to be matched by other reforms, notably decentralisation, civil service reform and the eradication of corruption; that the fundamental change in policy objectives and political practices which the approach aims at cannot be the result of outside pressure alone, but must be carried through first of all by networks of local reform agents; that the process is currently too complex for complete national ownership, requiring it to be assisted by considerable amounts of financial support and technical assistance; that the participative exercises undertaken so far have produced results of only limited usefulness; that the justified need for popular participation should be freed from an ideological fixation on a "Civil Society" that has hardly developed in Benin; that Parliament should be more closely involved; that meaningful participation needs to be based on free circulation of information, implying a greater willingness of GoB to share information with other stakeholders; that the media should play a more important role in the discussion of policy choices, for which they are currently badly equipped; that local committees need to play an important part in bottom-up monitoring of implementation; and that there should be positive second round effects of the PRSP approach provided that GoB has a clear vision of priorities, the interlocking of reforms and a realistic but firm timeframe.

1 Introduction

The present report investigates the extent to which poverty reduction policies, programmes, practices and monitoring systems are being institutionalised in Benin. It also analyses the degree to which the new elements introduced into IFI conditionality by the enhanced HIPC framework are leading to poverty reduction plans that benefit from country ownership and, therefore, promise to be more effective.

It has been said that “Institutionalising the impetus of reform requires a deliberate effort to take the issue of poverty beyond narrow agendas to make it a truly national concern and a subject of national debate and decision-making. In other words, it means transforming poverty reduction into a non-partisan issue beyond the individual or group interests and of particular donors and their funding

modalities”.¹ This report tries to assess whether this is indeed what is happening in Benin.

The report was commissioned by the Overseas Development Institute (ODI), based in London, within the framework of a comparative study of eight African countries commissioned by the PRSP-Process and Poverty Monitoring Task Teams of the Special Partnership for Africa (SPA). A team of three international consultants based in Benin, France and Germany drafted the Benin case study. The present report represents the team's state of knowledge by the end of September 2001.

The study was conducted in two stages combining: (i) two field missions (in November 2000 and June 2001); (ii) a first preliminary report presented to ODI in November 2000 (scoping study); (iii) a short written update dated April 2001; (iv) a mission report in June 2001; and (v) the present report that includes and updates material from these earlier reports and introduces considerable additional material resulting from mission interviews and the use of published and unpublished documents (for published material, see reference list). In preparing this report, the mission was also able to draw on extensive prior published and unpublished research undertaken by the consultants in Benin on governance and development issues, mainly, but not exclusively, on a local level.

During the two field visits, the consultants were able to discuss with people in Cotonou who could be reasonably expected to have some technical knowledge of the PRSP process. Implicitly, this means that the sample of interviewees was limited to a minority of Beninese who were literate in French.

The mission also consulted government officials from a number of key ministries; an ex-prefect now in charge of a GTZ and French-financed structure providing technical assistance to local municipalities; the President of the Economic and

¹ “Executive Summary”, *Choices for the Poor: Independent Country Evaluations Commissioned by UNDP in 1999-2000*, p. 7.

Social Council (representing the private sector, trade unions and other civil society organisations (CSOs); Members of Parliament (MP), including the President of the Finance Commission; a number of CSOs; journalists, academics and private entrepreneurs, including the President of the Chamber of Commerce and Industry (CCI); as well as bilateral and multilateral donors operating in Benin. A large majority of interviewees were men. A list of people met is included in Annex 1.

The report is structured according to the format given to the consultants together with their terms of reference. In drafting the report, the consultants realised that adopting the proposed format implied some unavoidable duplication between Sections 2 (what happened, what do stakeholders think about what happened) and 3 (how do the consultants evaluate what happened in terms of the underlying hypotheses) of the report.

2 The country context

Basic macroeconomic and human development information

With a GNP per capita estimated at \$356 in 2000 Benin is one of the poorest countries in sub-Saharan Africa and in the world, ranking 151st on a total of 174 countries that were evaluated in 1999 (these and the following figures are taken from PNUD 2000). The country's Human Development Index (HDI) was 0.435 that year, twice as much as in the early 1990s (it was 0.224 in 1990 and 0.261 in 1994) but still below the average in Sub-Saharan Africa. Taking the \$1 per day per head threshold, over 80% of Benin's population can be considered poor and roughly one third is below the national poverty line. A further 18% are considered vulnerable. Income distribution and living standards vary greatly between regions and between rural and urban areas.

These ratios were fairly stable throughout the 1990s. In other words, they were not substantially modified as a result of the Structural Adjustment Programmes (SAPs) initiated in the late 1980s, nor by the various poverty reduction initiatives, including the Social Dimensions of Adjustment (SDA).

The total population of Benin is approximately 6 millions, of which 80% live in rural areas, 50% are less than 16 years old and 52% are women. Access to clean drinking water is estimated at 56% overall (71% in the cities and 46% in rural areas). Literacy rates are low (47% of men and 70.8% of women are illiterate) but there has been a marked improvement in gross school enrolment rates since the early 1990s. This has taken place at the expense of average class size, which has doubled. The number of schoolteachers has been reduced since the late 1980s as an effect of structural adjustment.

The Beninese economy is almost entirely "informal". There are almost no manufacturing industries in Benin. Agriculture accounts for approximately 40% of GDP and provides 70% of domestic exports and 75% of all employment. Cotton is the only significant export. Benin has the largest informal sector of 27 African and Latin American Countries for which comparable data exist (Joekes and Houedete 2000: 5). Cross-border trade and micro enterprises are at the heart of the informal economy and account for approximately 50% of total GDP (World Bank 1994). Thus, while the economic situation of Benin has improved over the last 10 years, it remains inherently fragile because of its dependence on world market prices for cotton (which have plunged recently) and on the overall business environment in Nigeria to which the Autonomous Port of Cotonou largely caters.

Economic growth has been positive in recent years, averaging 5% between 1995 and 1999, and attaining 5.3% in 2000. A number of signs tend to indicate that growth could be sustained in the coming years provided there are no external shocks. Savings and investment rates have risen from respectively 12.7% and 17.9% of GNP in 1996 to 15% and 19.8% in 2000. Credit to the economy has increased from CFA F154 billions (US\$206 million) in 1999 to CFA F194 billions

(US\$259 millions) in 2000. The net government position has gained CFA F2.2 billions between 1999 and 2000.²

However, good macroeconomic performance of the last ten years has not succeeded in reducing poverty. The impact of growth has been considerably reduced by high population growth rates during the same period, with average real per capita growth not exceeding 2.3%. It has been estimated that it will take 38 years for Benin to reach the IDA threshold of \$895 per capita GNP at currently forecasted real per capita GDP growth rates (US/GAO 2001: 50).

To alleviate poverty the Government of Benin (GoB) intends to orient public spending towards improving both the quantity and quality of public services. This is a real challenge considering the slow progress of investment expenditures in the past few years, including in the social sectors. Table 1 shows the implementation rate of the public investment programme by sector in 1999.

Table 1: Implementation rate of Benin's public investment programme (as of September 1999)

<i>Sector</i>	<i>Implementation rate (%)</i>
Rural Sector	38
Small and medium size enterprises and artisans	20
Water and electricity	31
Infrastructure	51
Commerce, tertiary sector	45
Total productive sectors	43
Total social sectors (Health, education, housing, other)	32
Administration	45
Total	40

Source: République du Bénin 1999: 151

The aid context and debt

Benin's level of internal resource mobilisation is one of the lowest in sub-Saharan Africa (Joekes and Houedete 2000: 5). As a result, the Beninese economy is very dependent on external aid (US\$221 millions in 1999). Aid financed 30% of total public expenditure and over 80% of public investment over the period 1992-97 (ibid: 17). Undoubtedly, the country's good democracy and human rights track record since the 1990s have positively impacted on development aid levels. This phenomenon is referred to in Benin as the "democracy bonus" (*prime de la démocratie*). Several interviewees from the donor community privately expressed the opinion that the country was in fact "over-assisted".

Net receipts of official development assistance (ODA) have been fairly stable over the last five years although they are decreasing slightly. Private flows are rising

² These figures were obtained from a senior official from the F&E Ministry.

slightly after a sharp drop in 1998, as shown in Table 2. Ten major donors provide the bulk of Benin's ODA (Table 3). Over two thirds of ODA is going to social sectors, about half of it to education and health (Table 4), while the share of budget/balance-of payments support has been declining (Table 5).

Table 2: Benin's net receipts of Official Development Assistance and private flows

<i>Net receipts</i>	1997	1998	1999
ODA (US\$ million)	221	210	211
Bilateral share (%)	67	68	57
ODA/GNP (%)	10.5	9.2	8.9
Private flows (US\$ million)	51	-36	13

Source: World Bank, OECD

Table 3: Top ten donors of net ODA to Benin (1998-1999 average, US\$ m)

Germany	30
IDA	29
France	28
EC	28
Japan	24
United States	15
Denmark	12
African Development Fund	11
Netherlands	7
Switzerland	7

Sources: World Bank, OECD

Table 4: Bilateral ODA to Benin by sector (average commitments, 1998-1999)

Sector	ODA (US\$ million)
Education	17,80
Health	12,10
Other social sectors	33,15
Economic infrastructure	21,70
Production	12,15
Multi-sector	11,35
Programme assistance	7,80
Action relating to debt	11,50
Emergency aid	0,90
Unallocated	9,65
Total	138,10

Source: World Bank, OECD

Table 5: Distribution of Benin's external aid by type, 1995-98

	1995 (US\$ m)	1996 (US\$ m)	1997 (US\$ m)	1998 (US\$ m)
Investment projects	157,1	137,6	105	111
Budget support (balance of payments)	75,8	96,4	38,4	37,4
Technical co-operation	94,4	85,7	84,1	72,6
Food and emergency aid	8,4	9,2	6,3	14,1
Total	335,7	328,9	233,8	235,1

Source: République du Bénin 1999

According to the most recent *Rapport sur l'état de l'économie nationale* (République du Bénin 1999), Benin consumes barely one third of all external aid committed (only 52% of loans and 28% of grants were disbursed in 1999). The low absorptive capacity of credits, combined with poor project design and delayed implementation of both projects and conventions related to the loans, have impacted negatively on the economy. In particular, they have contributed to:

- increasing debt service, as low disbursement rates can generate penalties of up to 0.5% on un-disbursed amounts sixty days following the signature of the conventions concerning the loan;
- cost overrun because of inflation related to delayed implementation; and
- interruption of activities linked to poor planning (ignoring recurrent costs, for example).

To increase the efficiency of service delivery the GoB is increasingly targeting vulnerable groups via decentralised co-operation. This orientation is contributing to the proliferation of national and international NGOs operating in Benin, discussed in the next section.

Benin's external indebtedness and debt relief

Benin's external indebtedness began in the early 1980s when a number of conventions and agreements with institutional partners were signed to finance economic development projects on credit. Since then major bilateral and institutional lenders have included: Belgium, France, Germany, Japan and the United States; the International Development Association (IDA), the European Investment Bank (EIB), the African Development Fund (ADF), the African Development Bank (ADB), the Banque ouest-africaine de développement (BOAD), the Islamic Development Bank (IDB), the Communauté économique des États d'Afrique de l'Ouest (CEDEAO/ECOWAS), the Organisation of Petroleum

Exporting Countries (OPEC Fund) and the Banque arabe pour le développement économique en Afrique (BADEA).

Benin's public debt includes the totality of amounts due by the State to civil servants, economic operators and national institutions (internal debt) as well the amounts owed to international institutions (external debt). This section is only concerned with the latter. In volume, Benin's external debt (CFA F360 billions/\$478 million in 2000) is much greater than its internal debt. External debt is also increasingly multilateral in nature (over 50% since 1990). Between 1995 and 1999 external debt outstanding rose from CFA F703 billions (\$940 millions) to CFA F847 billions (\$1,130 billion) (République du Bénin 1999). Tables 6 and 7 show total debt outstanding and the evolution of the public debt between 1997 and 1999.

Table 6: Benin's total outstanding external debt (CFA F million)

<i>Years</i>	<i>Bilateral</i>	<i>Multilateral</i>	<i>Total</i>
1997	180	568	748
1998	210	562	771
1999	191	656	847

Source: US/GAO 2001 and République du Bénin 1999

Table 7: Evolution of Benin's public debt between 1997 and 1999 (CFA F billions; CFA F 1 billion = \$1,333,333)

	<i>1997</i>	<i>1998</i>	<i>1999</i>
Exports	230	231	242
Debt service	27	28	29
Debt outstanding	1249	1360	1464
Debt outstanding/ GNP (%)	60	57	58
Debt service/exports (%)	12	12	12
Debt service/GNP (%)	2,27	2,09	1,96

Source: US/GAO 2001 and République du Bénin 1999

The IMF has supported GoB's balance of payments and reform programmes since 1986. The first Structural Adjustment Loan (SAL1) dates back to 1989. SAL 2 in 1993 contained a component on the social dimension of adjustment (see below). Within the framework of the adjustment programmes GoB signed a third structural adjustment credit covering the period running from 1995 to 1996,

and a new Enhanced Structural Adjustment Facility (ESAF) was signed with the IMF covering 1996-1999.

The HIPC initiative is the latest of the series of programmes to reduce the country's external debt. Following the positive, yet cautious, assessment of the Bank-Fund Joint Staff Assessment of the I-PRSP in September 2000, Benin became eligible to the Enhanced HIPC initiative. The first Poverty Reduction and Growth Facility (PRGF1) became operational in April 2000. PRGF2 was negotiated in July 2001 and should be activated after the Joint Staff Committee reviews the PRSP (tentatively towards the end of 2001). Other multilateral and bilateral funding (the World Bank Poverty Reduction Support Credit and additional IDA lending) also depends on the finalisation and approval of the PRSP. As a result, the HIPC completion point will be floating probably until the end of 2001, if not beyond.

The IFIs do not expect any inconsistency between the PRGF, the conditions of the West African Monetary Union (UEMOA) and the content of the PRSP. However, the IMF is said to be watching closely that the decision concerning the liberalisation of the cotton sub-sector is respected.

Under the Enhanced HIPC initiative total external debt reduction would be about US\$460 millions over a twenty-year period, which is equivalent to approximately US\$20 to US\$25 millions per annum.³ Debt relief amounted to about CFA F4.5 billions (\$6 million) in 2000 and to CFA F15 billions (\$20 million) in 2001. GoB used the first two disbursements in 2000 (CFA F50 million/\$67.000) to suppress primary school fees for that year and finance employment in the health sector. It is too early at this stage to assess the shifts in expenditure patterns that will result from additional debt relief.

Key political and social features

Benin, a model democracy?

Benin is often cited as a model democracy in the African context. Since the peaceful regime change of 1989/90 that is locally referred to as the "democratic renewal" (*renouveau démocratique*), presidential and parliamentary elections have been fair and free. The country enjoys free and lively media (over 57 private and government newspapers, 42 private and 2 government radio stations, 2 national television channels, apart from the foreign ones accessible via satellite). The Constitutional Court has played admirably its role as guardian of the Constitution and there are no political prisoners in the country. The country has also been spared major outbursts of ethnic and social violence since 1991. In view of the regional context that is not very enabling in this respect, this must be acknowledged as a major political achievement of the country's political elite.

Despite those achievements, the institutionalisation of a pluralist democracy and the rule of law (*État de droit*) triggered by the "democratic renewal" have

³ Information provided orally by the IMF representative in Cotonou.

remained in important respects incomplete. This is most noticeable at local level. The reform of decentralisation, on the agenda since 1993 when the government organised a widespread consultation process on the issue, has not been completed to date. Although the necessary laws were voted recently (in March 2001), municipal elections have not been organised still and, as law requires that these elections be based on a completely new set of electoral lists, it is difficult to see that they will be in the next two years. As a result, the democratic institutions that exist at the national level are not articulated with local democratic institutions.

The absence of local democracy

The type of political system in place at the local level could be described as a 'negotiated political order' that is neither democratic nor despotic. Rather, it is based on the principle of participation via clientelist networks dominated by local elites (Bierschenk 2000; also Bierschenk and Olivier de Sardan 1998).

One of the major features of this system is its high degree of institutional and legal pluralism. Local political arenas are multi-centred with representatives of the central State unable to impose decisions on local political players. In this system, decisions are based on complicated negotiations between the former, different segments of local political elites and a multitude of local institutional actors (traditional chiefs, development associations, NGOs, religious groups, local sections of political parties, peasants' organisations, the security forces, etc.). In the absence of a clear system of rules, regulations and sanctions, and given the number of local vetoing powers, these decisions are notoriously difficult to implement. In other words, the local administration has very weak arbitration and regulatory powers, which contributes to the semi-autonomy enjoyed by local political groups.

Local civil societies are barely developed and hardly differentiated from political elite networks. One illustration of this are the so-called civil society leaders who often double as civil servants or politicians. In addition, the formal local economy is highly politically embedded: the larger private sector operators all depend to a very large degree on contracts with the administration. Indeed, main local actors typically "straddle" the sectors of polity, economy and civil society and have, as a rule, multiple identities and functions.

In this context development strategies that assume a clear distinction between the spheres of politics, the economy ("private sector") and civil society seem somewhat naïve, as they do not take into account this peculiar form of local governance. To put it more positively, the institutionalisation of representative government at local level that has been on the agenda in Benin for almost ten years is, in the view of this mission and of many of our interviewees, a necessary, if not sufficient, precondition for the success of the poverty reduction strategy.

Weak arbitration and implementation capacities of the State

At the national level, there is a corresponding prevalence of informal politics that reduces the State's capacity for arbitrage and regulation. At this level, too, democratisation has in important aspects remained incomplete, and

administrative and economic governance pose serious problems. To begin with, the national political system is highly based in favour of the executive, and in particular the President. The latter (Mr. Kérékou at present) enjoys large powers to legislate by decree and, via his Finance and Economics Minister, largely controls the budget. Under certain conditions, the budget does not even have to be voted by Parliament. The President also has very extensive powers to appoint senior staff in the administration and State enterprises. In a political system tainted by clientelism, this is a formidable base of power.

President Kérékou first held power, following a military coup, between 1972 and 1989. As a result of democratic elections he was able to regain and maintain this function from 1996 to date. Throughout those periods, he has been very skilful in consolidating his power by associating, via clientelist links, a maximum number of segments of local and regional elite networks with the government machinery. (In fact, his mastery of this strategy has probably been the major cause behind his surprising re-election in 1996.) Governance by reciprocal assimilation of elite segments (to use a term of the French political scientist Bayart) has also been the base of the relative political stability that the country has enjoyed under the Marxist-Leninist regime from 1974 to 1989 and the pluralist democracy thereafter. Significantly, President Kérékou ran his recent (2001) successful election campaign under the twin themes of “social peace” and “the one who knows the country”.

Under Benin’s neopatrimonial multi-party democracy however, social peace has a cost in terms of democratic governance. To begin with, Benin’s political system suffers from a high degree of political immobility. Since the successful completion of the “democratic renewal”, all major reform projects have advanced only very slowly or have stalled. In each case, the initiative for these reforms came from outside; the formulation of reform projects relied to a large extent on foreign, and foreign-financed, expertise; and the degree of implementation was directly correlated with the degree of pressure from Benin’s foreign donors.

Where pressure has been high and non-compliance risked being sanctioned by the closure of access to external aid, reforms have been implemented, sometimes reluctantly (e.g. privatisation, reduction in the number of civil servants, devaluation). Where the “friendly pressure” from donors has been more diffuse, reform projects have moved exceedingly slowly (e.g. decentralisation: on the agenda since 1994, civil service reform: on the agenda for ten years or more, fight against corruption: a series of ad hoc measures largely ineffective so far). Where pressure from the outside has not been backed by financial support or financial sanctions, reforms have been blocked (e.g. the reform of the judicial system which only got under way once there was outside financing, and the blockage of the reform of family law which is not high on the donors’ agendas).

Another disadvantage of Benin’s “inclusive” political regime is that it systematically weakens public debate. Opposition is either bought off, or isolated. We will come back to this point in the section below on political parties.

Governing through clientelist networks also leads to a high degree of politicisation of the administration. Politisation, in combination with a low level of material

resources, inflexible bureaucratic norms, a sub-optimal distribution of personnel (across regions and sectors) and weak intra-administrative control and sanctioning mechanisms has largely contributed to the low effectiveness of the administration in implementing government decisions. Large sections of the administration at least partially escape central control, as has been shown, for example, for the judicial system (Bierschenk 2001).

Another example that illustrates the semi-autonomy of administrative sections of government was reported during one of the Spring 2001 departmental seminars leading to the preparation of the PRSP. One serious problem related to the effectiveness of the education sector in Benin lies in the high degree of absenteeism of primary school teachers, in particular in outlying regions. (This absenteeism is often simply explained by low professional ethics although there are also structural causes that cannot be explained here.)

For the purposes of the present report, the above suggests that governance cannot solely be understood in terms of the formulation of rules on decision-

4

making. The concept also needs to integrate implementation capacities.

Benin as a rentier state

In the section on the aid situation above, we noted Benin's heavy dependence on ODA for public expenditure in general and public investments in particular. Yet institutionalised aid dependence is not a purely "economic" phenomenon but directly articulated with the political system. Based on the idea that development aid can have, in the recipient country, the function of a "rent", Benin's political economy has been analysed under the notion as a "rentier state" (Bierschenk

5

1993).

⁴ Implementation is a serious bottleneck in Benin for any reform programme. This aspect has been neglected in local debates, even in those of superior quality (e.g., PNUD 2000: 11).

⁵ The notion of rent is used in this report in the Ricardian-Marxian sense of surplus revenues, which are not derived from the investment of factors of production (e.g., capital or labour). In this sense, rents are "unearned" revenues; they arise in situations where competition is limited by either natural or socio-political factors. In neo-classical economic theory, rent is a receipt in excess of the opportunity cost of a resource (which would arise in situations of competition). The access to rents needs to be politically organised ("lobbying"). In this perspective, rent seeking (another term used in this report) describes the activity of economic actors who, via political and social means, compete for monopoly positions and preferential access to rents. A rentier state then is a state that receives considerable revenues from sources other than taxes on (internal) productive processes, e.g. profits and salaries. The possibility of having access to rent renders the state indifferent to the problems of internal mobilisation of factors of production. The concept had originally been used to analyse the political economy of Near Eastern (and other) oil-producing countries but can also usefully be employed to highlight certain features of aid-dependent poor African (and other) countries where aid plays a similar economic and political function (rent equivalent) as the oil-derived rents in the Near East. For an introduction into the vast literature on the subject, see Buchanan et al. 1980 and Luciani 1987.

Badly coordinated aid – with each donor pursuing its own agenda, creating its own local clientele within and outside the government administration, working according to different funding cycles, timeframes and procedures – has been a major factor in limiting the coherence of government action, thus reducing the government’s weak arbitration and regulation capacity even further. Actions are undertaken not because they are seen as priorities for the development of the

6

country, but because they bring external financing.

Furthermore, clientelist politics, which we have identified as a major feature of Benin’s political system, are encouraged and stabilised by institutionalised aid dependency. Consequently, political rhetoric is marked by a tendency for window dressing. In Benin, the political discourse is easily adapted to the latest fashion emanating from the West. Often this is simply done by adding up words. The latest fashion is to add “poverty” to longer-established development buzzwords: “women and poverty”, “employment and poverty”, “informal sector and poverty”, “health, poverty and development”, “decentralisation and poverty”, “corruption and poverty”, governance and poverty”, and the like.

With the recent swing in development philosophy towards decentralised aid that tries to directly reach beneficiaries, the search for “development rent” has been generalised. This is one major factor behind the recent flourishing of Benin’s

7

associational sector discussed below.

Parliament, elections and political parties

As already mentioned, Parliament and its 83 members can easily be bypassed in the legislative and budgetary process. Furthermore, it does not possess the technical capacity to challenge the administration given the shortage of professional staff and the generally low technical skills of the MPs.

As a result, Parliament has taken relatively few legislative initiatives. Most laws are based on government initiatives (around 90% since 1991) and draft laws can pile up without any action taken for long periods of time (PNUD 2000: 57). To control government action, Parliament has increasingly used the Constitutional provision that allows questions to be put to the government and requests that members of the administration appear before the Assembly to defend policy. However, the general opinion in Benin is that the quality of the debate in parliamentary sessions is, on these occasions, not up to expectations.

The above constraints are compounded by the inability of political parties to organise policy debates. Since 1991, the number of political parties in Benin has gone up from 38 to over 122 (ibid: 44). This seemingly high fragmentation of the

⁶ This theme is particularly well documented for West Africa. See for example Naudet 2000.

7

For case studies, see Bierschenk et al. 2000.

party system, which observers often cite as its main weakness, is however misleading. There are in fact two types of political parties in Benin (Hounkpe and Lalaye 2001): Only a handful dominates national political life and accounts for 80 % of the seats in Parliament. These parties each have a regional monopoly (they are in fact “*partis uniques régionaux*”, PNUD 2000: 67) and are based on alliances of political leaders in one given region. Through their participation in national elections, they try to get into a position to form a government and to advance the interests of their regional electorate (Bako-Arifari 1998, Gbessemehlan and Rijniere 1995).

The other 100 parties or so do not aspire to win elections and do not even seriously aim at being represented in Parliament. The creation of a party and the participation in an election are, in the majority of cases, rather a means for individual local political leaders and their followers to measure their political weight in the hope of being granted positions in government after the elections. (The same strategy also explains the high number of candidates to presidential elections – 17 in 2001 – most of whom have no serious chance of winning at all.) This strategy is being favoured by the electoral system that guarantees representation for a maximum of diverse local interests once they are able to muster a minimum of votes in at least one given electoral district, thus creating a “parliament of minorities” (Hounkpe and Lalaye 2001)

Parties are thus very light structures built around the personal ambition of individual politicians (or coalitions of “big men” in the case of the larger parties) who are as a rule also their main sponsors. Internal conflicts are typically resolved by splitting up: in case of political defeat, the losing faction leaves the party and creates a new one. It is thus not surprising that most parties have no political programme and no technical capacities in terms of policy analysis. In addition, parties and individual MPs that find themselves in opposition after an election tend to gravitate towards the government. As one notorious party-hopping MP recently declared, “opposition does not feed a man” (*Le Cordon*, 19.7.01). As a result, all major parties have been seriously weakened by secession and splits since 1996.

As MPs and parties are not elected on the basis of a programme but function as a link between the electorate of a given area and the national centres of power, this “political transhumance”, it could be argued, is not inconsistent with the interests of their electorate: Politicians are not elected to defend policy issues but to assure that government resources are channelled to their region of origin. To lose an MP to another party is not, however, in the interest of party leaders who

8

are also expected to be the main providers for their party.

There is reason to raise doubts about the internal democratic character of Benin’s political parties: their internal organisation is not regulated by law. The 1999 law on party finances that puts a ceiling on expenses linked to election campaigns

⁸ A law, voted by Parliament in July 2001, stipulates that an MP who leaves the party on whose list he was elected loses his mandate (*Le Cordon*, 26.7.01); but in its present form, this law has been declared unconstitutional by the Constitutional Court.

and requires parties to make public their sources of finance has been systematically violated by all major parties. All parties need sponsorship from the economic elite that is largely dependent on government contracts at the national and local levels. The feedback mechanism thus created is a major cause of the rising spiral of corruption that has plagued the country in recent years (Bako-Arifari 2001).

For the purposes of analysing the possible impacts of the PRSP, this has some notable implications. It means that neither the political parties nor Parliament are, at present, very effective institutional loci for debate on ambitious societal projects such as a poverty reduction strategy. Some recent activities of donors in the field of training of parliamentarians are an encouraging sign that the problem has been identified and could be reduced over time.

Civil society

Strictly speaking, civil society is defined as an autonomous space composed of civil associations that pursue public goals. The sphere of civil society is distinct from that of both the State and the market. In this strict definition of the concept, CSOs are not only non-government but also non-profit organisations. In the current debate concerning Africa, a more restricted definition is often used, one that identifies civil society simply with NGOs.

Benin has a flourishing associational life. Some associations have a long history going back to colonial times (e.g., religious communities); some have existed since the revolutionary period but might have benefited from liberalisation after 1990 (e.g., community organisations, trade unions, professional associations); others only appeared just before or after the democratic renewal in the early 1990s (e.g., NGOs, local development associations, cultural associations, agricultural producers associations). In 1999, it was estimated that there were more than 5000 NGOs in Benin (PNUD 2000: 66).

It is estimated, however, that the majority of the more than 3000 officially registered NGOs only exist on paper. Indeed, a large number of them are small business ventures that were established by university graduates as a response to the reduction in employment opportunities within the administration after 1986. A majority of graduates set out to create an NGO, however small, after graduation. Having studied together, NGO promoters are usually linked by ties of friendship, if not kinship. Their objective is to find contracts with development agencies, mostly in the decentralised aid-business (see the case studies on Benin and beyond in Bierschenk et al. 2000).

To run an NGO instead of running a consultancy firm has two main advantages: one is tax exemption under the Law of 1901 on non-profit associations; and secondly, in a context in which donors like to deal directly with civil society, owning an NGO helps to obtain funding for development projects.

Most Beninese NGOs work within a particular region while only a few of them are positioned at the national level. Regional and national NGOs alike are usually multi-purpose, as indicated by their names (usually a random combination of

some of the current key words of the development discourse like “gender promotion”, “environment”, “community development” and the like). They implement any development project for which they can find financing. Indeed, their leaders often combine the functions of private consultants and “development brokers”. In other words, in view of their profit-making orientation and their main function of providing jobs for their promoters it could be argued that most Beninese NGOs are in fact part of the private (business) sector.

Furthermore, Benin’s NGOs are hardly autonomous from the State. Many of them include at least one or more politician and/or civil servant. (The participatory seminars during the preparatory phase of the PRSP were conducted by one of the few NGOs with a national scope, including in particular one of their members who is at the same time a civil servant in the Planning Ministry). In fact, having good links with the administration seems to be a requirement for successfully finding contracts. The reverse is also true. Benin’s many local “development associations” were, throughout the 1990s, important trampolines for catapulting local politicians into national careers. Recently, it has become a fashion of politicians, in quest of legitimacy, to claim that they are “representatives of civil society” in order to dissociate themselves from the unfavourable reputation of political parties.

To conclude this point, leaders of many so-called CSOs have multiple identities and straddle with the world of politics and the private sector. Hence, in the Benin context, the distinction between civil society, the State and the market sector underlying much of the present development discourse needs to be seriously qualified; in Benin civil society is weakly developed and has hardly emancipated itself from either the State or the market.

For the purposes of this report, it should also be noted that it is quite rare in Benin to find associations that either defend or promote broader interests vis-à-vis the government or the private sector, or that defend the interests of the users of a particular government service. It is true that in the education sector, parents’ associations (*associations des parents d’élèves/APE*) are widely found. It would seem that their main function is to provide private co-financing of the public school system. Many APEs are in reality run by the school directors who have the habit to convene their meetings and preside over them. This makes the APE rather ineffective in their function of defending users’ interests. Similarly, very few associations are able to generate a public debate on key development issues or influence public policy. (An exception is the group “Espace Libéral” which, as discussed further on, is in the process of drafting an alternative PRSP with large financial inputs from DANIDA.)

We have to conclude, therefore, as we did in connection with political parties: in the present context, it would be unrealistic to expect civil society organisations to be effective counterweights to government in the complex debate on an ambitious policy choice like poverty reduction. Again, this may be expected to change over time. It should also be said that a small number of NGOs, some, but not all of them local antennas of Northern NGOs, have a long experience in development activities which might be solicited for the implementation of some aspects of the PRSP.

The media

The liveliness of Benin's media and the freedom of expression they enjoy are an essential component of the country's image as an African (model) democracy. In fact, Benin can boast today a small number of very qualified journalists. However, some exceptions apart, the media's potential in functioning as the carriers of an informed public debate on PRSP and other complex policy choices is rather limited.

The reasons for this lie, to begin with, in the absence of training and consequently the often low professional standards of many of the country's journalists. This could be overcome by training, in which some donors have been engaged in for some time. However, another feature of the country's media is their concentration, in terms of reporting and distribution, on the capital. While the reader has a wide choice of press journals in Cotonou, the choice gets much more limited and supply increasingly erratic the further the distance from the capital. Likewise, it is rare to find controversial regional or local issues (i.e., other than the opening of a school in such-and-such town or the touring of a minister of such-and-such region) reported in the press. In addition, the printed press publishes exclusively in French which is not mastered by a majority of the population. Television sets are also heavily concentrated in the capital and the other bigger cities of the country; there are, however, some programmes in local languages. In terms of reach, the most effective medium is the radio which covers the whole country and has programmes in all major local languages.

On a more profound level, there are structural problems to Benin's press organs, and to a lesser extent television and radio, which are linked to its financial base. In the absence of subscription, all press journals have to compete daily in the streets for buyers, which favours a certain preference for large headlines announcing yet another scandal.

While this becomes relatively quickly obvious even to the foreign reader, there is another side to the functioning of the press which is less obvious: The majority of articles, in any given journal on any given day, are in fact paid for by the beneficiaries. This might be a politician who wants his opening of a new school in his native village reported; it might be an aid agency which wants to see an article on its activities printed or a foreign embassy which wants the aid it disburses in Benin detailed, it might be a politician who wants to undermine a rival by spreading rumours of the latter's scandalous private life or his mismanagement of public funds. (The budgets of most of the numerous aid-financed seminars in Benin include nowadays an item called "communication" or the like, which in fact is meant to cover the costs of attracting a television crew or a press or radio reporter to its opening and final sessions.)

"In Benin", notes Emmanuel Adjovi, one of Benin's few top journalists, "we notice the venality of many information professionals who behave like vulgar mercenaries of the pen or of the microphone, in the service of whoever offers most" (2000: 2). While this venality affects in the first place Benin's private press, it also exists in the government television and radio services (where, for example,

the technical teams would regularly demand to be paid on a supplementary, private basis – under the label of per-diem – before they move their equipment to any given event).

The task of the media to inform the public on difficult policy choices is not made easier by the government's propensity to keep important information and policy orientations for itself, which is part of the already mentioned primacy of the executive in the political system of Benin. In fact, it is often easier for a foreigner with good links to donors to have access to policy documents, than for the interested Beninese national.

In the context of this report, the two most crying examples of this tendency not to share information are the fact that the I-PRSP has never been made public and remains, to this date, an unknown document to parliamentarians and journalists, not to mention the public, and that the recently formulated Plan of Action (2000-2005) of the government has been made available to donor agencies but not so far, it seems, to journalists who had to content themselves with the summary presentations of government spokesmen.

In other words, the large majority of media in Benin should not be expected to run an in-depth discussion of PRSP and other policy choices on their own initiative and resources. However, they could be much more intensely used as information devices to inform the public on the policy stakes involved. Because of its nationwide accessibility, in particular the radio would lend itself to such an information campaign. The very few serious journals and radio and television programmes that do exist, on the other hand, would need much easier access to information on the PRSP and specialised training to be able to discuss it in depth.

The PRSP approach as the engineering of “regime change”

It is this political and economic context with which the PRSP approach will have to interact. While the context is certainly limiting its chances for success, the approach in turn is more ambitious than anything the country has experienced since the demise of Marxism-Leninism. It aims at profoundly changing the nature of Benin's political economy as an aid-dependent patrimonial democracy. In political science terms, nothing less than a “regime change” – as opposed to a mere change of government – is aimed at. Its success will largely rest on the building of mutual trust, as much between donors and GoB as between the government and the population, where trust is currently very low.

Previous poverty plans

Benin has a long history of anti-poverty policies and programmes. Political measures that explicitly addressed poverty were implemented from the early 1990s, although poverty issues were on the political agenda well before then under different labels (e.g., the “investment in the poor” approach of the World Bank following the McNamara speech of 1973 and the “basic needs” approach of the International Labour Organisation). In Benin, the improvement of access to

education and health for the mass of the population was one of the priorities of the “Marxist-Leninist” regime from 1972 to 1989.

While acknowledging the necessity of the structural adjustment programme (SAP) begun in 1989, the National Conference of the Living Forces of the Nation that led Benin’s peaceful transition to multiparty democracy in 1990 recommended the inclusion of measures to protect vulnerable social groups (see Aho et al. 1997: 238 seq.). Consequently, in April 1992 a Round Table was organised in Geneva between GoB and its development partners in order to find the necessary financing to pursue the economic reform policy started under SAP, while at the same time reducing the social costs of structural adjustment.

Following the Geneva Round Table, a Programme of Urgent Social Action (Programme d’Actions Sociales d’Urgence/PASU) was formulated and implemented to compensate vulnerable or threatened social groups. Concrete measures included labour market integration, for example of former civil servants who had departed under SAP and of university graduates; a labour-intensive programme to rehabilitate social (health centres, schools) and other (rural roads, wells) infrastructure; and a project to address basic health needs. A number of specialised agencies (Agence de Gestion des Travaux Urbains/AGETUR, Agence pour la Gestion de la Dimension Sociale du Développement/AGDSD, Centre de Promotion et d’Encadrement des Petites et Moyennes Entreprises/CePEPE, Projet d’appui aux petites et moyennes entreprises/PAPME, etc.) were created to manage those projects with funding from special sources (e.g. Fonds de Solidarité Nationale pour l’Emploi/FSNE).

Two years later, in June 1994, GoB and its development partners formulated a complementary strategy to address the social dimensions of adjustment (Dimension Sociale du Développement/DSD). This strategy was based on the principles of decentralisation, subsidiarity, donor coordination and prioritisation of interventions on behalf of the poor. These principles were translated into two major actions: a) better integration of poverty reduction aspects into macroeconomic and sector policies; (b) the formulation and implementation of development actions in favour of vulnerable and marginalized groups that would go beyond the ongoing PASU measures and aim specifically at improving the productive capacities of the poor.

Another specialised agency – Agence de Gestion et de Promotion des Initiatives à la Base/AGEPIB – was created specifically for this purpose and five sector programmes were developed (in transport, rural development, private sector promotion, education and health); and (c) the creation of an infrastructure for measuring, analysing and evaluating poverty and poverty-reduction measures. Concurrently, a series of studies and surveys were undertaken to establish a country poverty profile, to determine the causes of poverty, to establish the socio-economic characteristics of poor households and to define viable social indicators disaggregated by sex and region. The objective was to create a national capacity in poverty analysis and policy evaluation. This ambitious programme was coordinated by a technical unit in the Planning Ministry.

In late 1996, the incoming government under President Kérékou decided to draft a Three-Year-Development Plan (1998-2000) based on the results of those surveys and analyses and on the results of a National Economic Conference. Following largely the DSD philosophy, the objective was to consolidate economic growth while defining poverty reduction as a central policy objective. Quantified poverty indicators were to be formulated to measure progress and to readjust, if necessary, the sector programmes.

A year later, in 1997, a complementary strategy was initiated that was very much based on a personal initiative of the then Minister of Plan, Albert Tévédjre, a former high official from the International Labour Organisation: the 'minimum basic needs' programme (*minimum social commun* [MSC]). It was implemented in a pilot phase in different municipalities through one hundred Community Development Units at village level, with a view to satisfying five key basic needs: education, access to health services, resource generation capacities and activities, food security and rural roads. (Note that Benin has several thousand villages, so only a tiny percentage was reached by this programme.) However, this initiative lacked financing for several years. At present, its status within the new PRSP context remains unclear, as it seems that the Ministry of Plan has lost interest. (In late 2000, there were press reports of the signature of a loan agreement over 18 billions CFA F, or US\$ 24 millions, with the Banque Ouest-africaine de Développement/BOAD but it seems that to date disbursement has not started.)

Other, more targeted measures were also undertaken. From 1997 onwards, due to improved public finance, funds intended for the health and education sectors increased considerably. School fees for girls had already been abolished in 1993. For the school year 2000/01, all school fees were temporarily abolished. This ad-hoc measure was funded through the "savings" coming from the first round of debt relief under the Enhanced HIPC initiative. In 1999, a special fund was created to provide assistance to the needy.

One can conclude that in Benin, poverty reduction has been a recurrent theme since the late 1980s, if not before. What seems new to staff from the ministries consulted is the fact that the IMF and the World Bank have decided to address poverty aspects within the macroeconomic framework. It is indeed striking to note how closely the rhetoric used in the 1980s and early 1990s resembles that of the PRSP approach, in particular from 1994 onwards. In fact, concrete measures were almost exclusively concerned with preserving access for the poor to essential social services.

It is also relevant to note that all the programmes and actions mentioned above were initiated in close cooperation with, and sometimes by, foreign donors, and that they were often formulated on the basis of national consultative exercises in the form of "National Conference", a "Round Table" or the like. They were implemented under the supervision of the Planning Ministry. We were unable to establish whether any of these programmes has ever been evaluated, and if so, based on which information. (As part of the preparation of the full PRSP, a desk study was undertaken in the spring of 2001 to evaluate the impact of Benin's

poverty-reduction policies since 1990. The study was not finalised at the time of our mission in June 2001.)

3 The PRSP in Benin: the process and the response

Basic facts on the I-PRSP and PRSP process

The process for elaborating a poverty reduction strategy in Benin in relation to HIPCI and II has been slow compared to other countries in Africa and elsewhere. For most of the year 2000, there was a tug of war between the Finance and Economics (F&E) Ministry and the Planning Ministry regarding who would conduct the process. Furthermore, the March 2001 presidential elections paralysed all political activity for months, delaying in particular the setting up of the institutional framework and the consultations with civil society. Once results were known and the new government of President Kérékou was in place, the CNDPL (National Commission for Development and the Fight against Poverty) became effective and consultations with civil society finally began.

A few words on the I-PRSP

Only two officials, one (later to head the Technical Secretariat of the PRSP) from the F&E Ministry, the other (later to become the Deputy of the former) from the Planning Ministry, drafted the I-PRSP. The document was adopted by government in June 2000. In preparation, a number of seminars were conducted with limited participation from selected high-ranking government officials. There seems to have been some limited media coverage of these seminars. Neither Parliament nor civil society was consulted. To date the I-PRSP has remained largely unknown to most stakeholders.

The Joint Staff Committee and donors (e.g., the EU) who were asked to comment made a rather severe review of the document. Criticisms concerned the complex institutional structure suggested to conduct the PRSP process and the fact that it did not really reflect the quality of the analytical work on poverty that had been undertaken in the country, mostly with UNDP assistance, since the early 1990s (see Section 5). The EU in particular noted that controversial issues like wealth distribution, land laws and corruption were carefully avoided. The document also suffered from lack of specifics on the consultation process leading to the full PRSP and contained nothing on monitoring and evaluation. The comments concluded that much remained to be done before arriving at a comprehensive and coherent poverty-reduction strategy. The full PRSP is expected to be more encompassing and to bridge those gaps. It is unlikely that it will be heavily influenced by the I-PRSP.

The full PRSP

The design and monitoring of the PRSP process are being coordinated within a three-tier-structure that was created in December 2000. At the top is the already mentioned CNDLP presided by the State Minister for Coordination of Government Action, Planning and Development, with the F&E Minister as Vice-

President. Members include all the Government ministries (17 in December 2000), the chief of the macro-economic office of the Presidency, the National University of Benin (NUB), and a number of private sector and civil society representatives like the Chamber of Commerce and Industry (CCI), trade unions, farmers, women's associations, etc.

The CNDLP has two organs: A Technical Committee that comprises staff from 8 ministries (Planning, F&E, Rural Development, Industry, Education, Public Health, Interior, Social Protection and the Family), the CCI and the NUB; and a Permanent Secretariat (now called "Technical Secretariat") in charge of day-to-day activities.

The CNDLP has not met to this day. Its Technical Committee met once, in August 2001, to examine the results of the technical studies commissioned by the TS as well of the departmental consultation meetings (see below). It would seem that the TS is the real driving force behind the PRSP. Once the tug-of-war between the Planning and the F&E Ministry was resolved, the TS was finally housed in the latter, and the Permanent Secretary of the SAP (one of the two authors of the I-PRSP) was appointed Permanent Secretary of the PRSP. His team includes all his former staff (4 persons apart from himself) plus one staff (his co-author of the I-PRSP) from the Planning Ministry (from the SDA section) acting as Deputy Secretary. It seems that not all of them are actively involved in PRSP preparation. The TS is in the process of appointing four more staff, among which are two economists, an agro-economist and an educational economist. Note that the staff thus consists exclusively of economists.

The consultants noted that not all staff from the TS, including the Deputy Secretary, had easy access to the Internet nor do they seem to be at ease in English, even at higher level. This is fairly serious considering that the international debate on PRSP is almost exclusively conducted in English, including via electronic conferencing, and that all major sources for conducting a PRSP are drafted in that language. At the same time, a barrier is created towards integrating advanced international thinking on poverty issues (again often formulated in English) into the national debate.

Until now, the activities of the TS/PRSP have consisted in:

1. Commissioning five preparatory desk studies from national consultants: These studies synthesise existing research on the causes of poverty; identify its structural causes; evaluate major social, economic and financial policy initiatives since 1990 and their impact on poverty (2 studies); and propose an institutional framework for the implementation of the PRS. First drafts of these studies were being finalised at the time of the mission in June 2001 but not accessible to the consultants.
2. Conducting a series of consultations at different levels: ministerial, national with participation of CSO (e.g. the so-called "National Forum on the Acceleration of Economic Growth"), and six departmental seminars also with CSO participation, one for each pair of two departments (provinces). These provincial seminars were financed by GTZ and organised by one of

the major national NGO/consultancy firms with whom GTZ has long standing contacts. This company had to work under enormous pressure. The provincial seminars were prepared within three weeks; most of the participants received their invitations and relevant documents (exclusively in French) less than a week before the seminar, some the night before. Obviously, this meant that CSO representatives could neither consult their base, nor seriously prepare the meeting as the participative approach had foreseen.

The meetings lasted three days each. Some 65 participants, selected by the organising consulting firm in agreement with local government representatives, were invited to each of them: 30 from civil society, 34 from the regional government administration and 1 member of parliament. At most seminars, somewhat more people participated in the end, but there was a maximum of 100 which the organisers accepted for pedagogical and financial reasons (participants received a travel allowance and a small per diem).

The seminars were entirely conducted in French with no interpretation into local languages (remember that the majority of Benin's population does not speak French). A proposal the organisers had originally formulated to have the provincial seminars preceded by seminars at the level of Benin's 77 districts (sous-préfecture) had been turned down by the TS/CNLDP who argued that the tight calendar set by the IFIs did not allow this. At some of the seminars, in particular in the capital Cotonou and in the southern part of the country, foreign donor representatives, including, in one case, high-level staff from the IMF's headquarters, participated. For TS/CNDLP staff – who, it will be remembered, had been in charge of the SAP before – it was the first time that they went outside Cotonou to explain GoB strategic policy choices.

At the provincial seminars, three representatives of CSOs, including one woman, were designated to participate in the national seminar on the draft PRSP programmed in July 2001 (but not realised so far), and to serve thereafter as a departmental monitoring committee on the implementation of the PRSP.

A number of consultations are still ongoing or planned in the near future (e.g. a sensitisation and information session for parliamentarians). Although monitoring was not envisaged as an issue for debate, either at the level of the preparatory studies or at the level of the consultations, it has now been added as an item on the calendar (with a specific seminar planned for July 2001). To date (25.8.01) neither the sensitisation session with Parliament nor the M&E Seminar has taken place.

The described activities (studies and seminars) all relied on external financing. Indeed, it is unlikely that they would have been undertaken in the absence of such finance.

According to the calendar adopted in May 2001, a small PRSP drafting committee was to be set up in July 2001. It is to include four high level staff from F&E and Planning Ministries (the TS/PRSP and the Director of Economic Affairs from the former, a leading civil servant from the DSA section appointed as Vice Secretary of the PRSP and the Director of the Planning Unit who is also President of the Technical Committee from the latter) as well one staff from the Planning Ministry (formerly of the DSA unit but now apparently under-utilised) who doubles as a GTZ-financed consultant to the PRSP process. The committee is supposed to coordinate results from the PRSP process into a draft document.

A second round of consultations, this time involving parliamentarians, is planned before the document is finalised and adopted by the government, according to the present calendar, by the end of September 2001. To date, the draft of the full PRSP has apparently not yet been finalised. In any case, the second round of consultations originally planned for August has not yet taken place.

With funds from DANIDA, a private pressure group (Espace Libéral) is in the process of drafting an alternative PRSP that could further complicate matters. Three consultations have taken place between the TS/CNLDP and Espace Libéral between July and August 2001. The alternative PRSP of Espace Libéral will be presented to the public in late September 2001. According to press reports (*Le Cordon*, No. 36, 20.9.01), it will adopt a fairly different approach from the GoB PRSP, proposing a further liberalisation of the economy, a systematic and nationwide investment programme to improve infrastructure (*grands travaux*), a fiscal reform and the creation of a development bank as well as a building and loan society (*banque d'habitat*).

In view of the above slippages, it seems unlikely that the full PRSP will be adopted by the GoB before the end of the year 2001.

The PRSP and the Government's Five-Year Programme (2001-06)

All through the spring and summer of 2001, the incoming government of President Kérékou prepared a programme covering its 2001-5 mandate. It seems that this was done as a parallel process to the PRSP preparation, with no reciprocal inputs. (It is, however, possible that some of the high level staff, especially from the F&E Ministry, were also involved in the government programme.) The Five-Year-Programme is articulated around seven key themes, one of them being the "strengthening of the fight against poverty".

At a seminar in early June 2001 in which all the ministers participated, eight priority actions were foreseen under the heading of poverty reduction: developing essential social services, promoting employment and food security, fighting against AIDS and malaria, rational management of the environment, promoting the family and women, and good management of population dynamics. The task of translating this cluster of actions into concrete measures was given to the Ministry of Health (major drafter) and the three ministries in the educational sector.

The programme has in the meantime (22 August 2001) officially been adopted by GoB, together with the results of the UNDP-sponsored Long-term Perspective Study to which the government programme explicitly refers. Among concrete measures, the programme announces the holding of municipal elections before the end of 2002 (which would, it should be recalled, imply a prior updating of electoral lists) and a special programme for the young. While the fight against poverty is mentioned as a “cross-cutting theme”, the actions listed make it appear rather the object of sectoral policies (mainly in the health and education sectors).

Stakeholders’ views on the PRSP process

Linkage of conditionality to the PRSP

During our first mission, interlocutors were already well aware of the conditionality underlying the BWIs’ initiative. Staff from the Planning Ministry commented that the PRSP was not much different from the existing DCPE (Document Cadre de Politique Economique/Policy Framework Paper). The only difference was the link between participation and debt relief. This feeling was confirmed during the second mission. For most people the PRSP simply replaces adjustment programmes, with increased demands on GoB.

The new approach raises concerns that it might induce bilateral donors in particular to reduce aid amounts once debt relief is available. Others believe that the poverty strategy will result in increases in social spending that will raise the country’s dependence on external aid.

An over-ambitious time schedule

The perception, now shared by many, is that GoB is rushing the PRSP process in order to achieve the HIPC2 completion point without which debt relief and access to other concessionary aid will be delayed. Indeed, the Government is said to have set the timetable for the elaboration of the PRSP and the consultation process without any pressure from the BWIs. But since the IMF facility and subsequent IDA credits and bilateral funding will only be released after the PRSP is agreed by the Joint Staff Committee, GoB is under pressure to get done with the job as quickly as possible.

The majority of stakeholders interviewed are unconvinced of the need for such haste. They believed it has a negative impact on the quality of the participatory process, although it is difficult to tell whether consultations would have been more meaningful if organisers were given more time to prepare. In any case, a PRSP completion date of end of 2001 would have been more realistic.

Scepticism was also expressed regarding the breadth of the strategy and how it will reflect the variety of demands coming from various sources, including the BWIs. Can the document bring together macroeconomic, sector, regional and poverty aspects, all within the same design? In this context, the tight calendar seemed overly ambitious to most people, particularly in view of the complexity of

the task ahead. The current slippage in PRSP preparation seems to bear out this scepticism.

Conscious of the difficulty, the Fund is prepared to assist with the drafting of the report if need be.⁹ The Bank and the Fund are also committed to undertaking additional analysis on the poverty impact of policy measures supported by the Fund's PRGF. It seems that this has not been done yet.

Government capacities and motivation

There are concerns that capacity to implement the poverty strategy may be inadequate. The capacity problem is the result of a number of things including unproductive use of staff time; poorly managed flows of funds and other resources; and weak motivation linked to low staff salaries and high administrative corruption. It is also a reflection of overly ambitious planning linked to donor pressure to have their own particular interests included in work plans and their varied procedures and funding cycles used. These problems will not be resolved unless two things combine: the public administration's willingness to address, among other things, staff motivation through appropriate incentives, remuneration and sanctions; and donors' willingness to seriously question and change their own working methods.

In addition, many people from all sources are convinced that the PRSP will be used by the public administration as a further opportunity for rent seeking. This sentiment illustrates a serious lack of faith in GoB's political engagement towards reducing poverty and its ability to manage development. In fact, parliamentarians interviewed, even when not in opposition, were adamant in warning against a programme or budget support approach that would give money to a government that they see as financially largely unaccountable. This may seem unfair to a number of civil servants who appeared committed to this mission. Nevertheless, there is much cynicism in Benin vis-à-vis the political elite. Questions were repeatedly raised about the extent to which resources freed by HIPC will be targeted to the poor.

Donor responses and participation in the PRSP process

Financial involvement and participation in the consultation process

In our November 2000 scoping report, we noted that most donors were in a "wait and see" mode. At the same time they admitted that focusing on poverty was a positive initiative that arrived at a propitious time: (i) good analyses related to poverty were already available and the PRSP offered an opportunity to bring them into a coherent whole; (ii) the country's economic performance was encouraging and internal resource mobilisation was on the rise; (iii) public expenditure management, including monitoring, was being revamped under

⁹ Information provided orally by the IMF representative in Cotonou.

pressure from the BWIs; and (iv) the PRSP offered an opportunity to release additional resources linked to debt relief.

The consensus among bilateral donors is to let the BWIs take the lead in the political and macroeconomic spheres. However, with a few exceptions they are actively involved in lending support to the PRSP process, at least financially and in terms of providing foreign technical assistance.

This concerns essentially, but not exclusively:

- i. The participatory process. This is financed by two separate groups of donors for approximately CFA F200 millions (about \$270.000) (excluding TA and future costs for a planned UNDP Round Table). As mentioned above, GTZ has funded the departmental seminars; the Danes and the Dutch are financing Espace Libéral, a lobby group with a decisively 'private' strand and "alternative" economic ideas which is drafting an alternative PRSP.
- ii. Technical assistance to a number of ministries, in particular the F&E Ministry (e.g., to help install and manage the new computerized budgetary system and train local staff in its management). The sector ministries are assisted also with the programming and budgetary process, including through separate units that have been set up years ago (e.g., the Cellule of the European Development Fund within the Ministry of Health).
- iii. Assistance to the Permanent Secretariat of the CNDLP through a managing unit housed at the F&E Ministry (The Netherlands and Denmark have recently signed a CFA F150 million [\$ 200,000] flexible agreement).
- iv. A Fonds de Solidarité Prioritaire (formely Fonds d'Aide au Développement) set up by the French to assist in the implementation of PRSPs. This fund, managed from Paris, is flexible and can be activated at any time to assist in the areas of statistics and macroeconomics, for specific sector projects, monitoring and evaluation.

The donor community is keeping a low profile in terms of the consultations and the drafting of the PRSP. A number of agencies have attended at least one of the departmental seminars (in Cotonou) as observers. Reactions were mixed: while the seminars and the forum on economic growth were found to be useful in terms of providing an opportunity for civil society to express itself, some regretted that they did not really tackle poverty in all its dimensions, including the more political. For instance, social inequities, access to land and wealth redistribution were not discussed at all.

Donor co-ordination

There is no specific donor forum for dealing with poverty reduction, although donors do seize opportunities at field level to talk to each other individually or in small groups of the "like minded". The PRSP offers an opportunity for the government to bring donors together around a coherent strategy. It seems that

donors would in principle be willing to follow in this initiative, provided they find the government's approach convincing.

In our November 2000 report, we had suggested that the Participatory Development and Good Governance Group (PD/GG group) set up by the OECD and led by the Swiss might be the appropriate option. Though this group was often mentioned in the course of our June discussions, we found out that it had kept its original focus on governance and democratisation. A recent article in *Le Monde* (26.6.01) notes however that the PD/GG group meets every six weeks "pour faire le point". Another donor group, made up of senior economists and led by the UNDP, does not seem to have met often and is not considered a proper forum for co-ordinating activities linked to the PRSP.

During the past few months, the BWIs have kept some distance with respect to PRSP preparations while keeping other donors informed of major developments. The last Public Expenditure Review was conducted in collaboration with other

10
donors (EC). Briefings are organised following Bank and IMF missions and relevant documents and correspondence seem to be shared. We were told in Benin that seminars on the PRSP are being planned with UNDP in a number of African countries to 'smooth things out'. Other multilateral institutions such as the ADB and the BOAD are also in the picture.

Participation and its limits

Participants whom we interviewed (be they from CSOs, Parliament, government or the donor community) saw the utility of the provincial and national seminars as rather limited for two reasons: firstly, the tight calendar that did not allow serious preparation, and secondly, the impossibility for a meeting of this kind to prioritise problems and needs. In particular CSO representatives were said to have attended the seminars with a kind of trade unionist spirit, e.g. to defend their particular interests.

The results were labelled "shopping lists" by some. In any case, the general feeling was that there were very few themes raised at the seminars that were new, e.g. not already dealt with in the voluminous poverty literature. Exceptions would be a number of socio-cultural aspects that, however, would be difficult to address by any policy (e.g., cultural reasons for people not using latrines, etc.), and a certain sensitisation of top officials to the day-to-day problems of implementing government decisions on the ground.

An example was given earlier: the widespread absenteeism of primary school teachers in rural areas. The problem is of course well known to villagers and to any observer who has ever spent some time in rural areas. However, for the technicians from the Technical Secretariat of the Commission Nationale de Développement et de Lutte contre la Pauvreté (CNDLP) who participated in these

¹⁰ A Country Assistance Strategy (CAS) is still planned although the Bank also has in mind to conduct a regional CAS.

seminars, this is an aspect of the actual functioning of public services that they had been unaware of until then. We will discuss the potential of this kind of realisation by top civil servants of the true nature of “problems on the ground” for the institutionalisation of institutional change in the context of PRSP in the next section.

4 Potential for institutional change

The PRSP approach is an attempt to consolidate a number of approaches previously developed and to integrate them into a coherent framework focused on the overall objective of poverty reduction. The four key characteristics of the approach are comprehensiveness, results-orientation, donor coordination and country ownership. Comprehensiveness and results-orientation indicate the need to link poverty reduction strategies to a reform of the budgetary system with a view to render the link between alternative utilisation of public expenditure and their differential impact on poverty reduction more visible.

At the same time, comprehensiveness of approach and prioritisation of actions on the side of national governments need to be assisted by coherence and coordination on the side of donors, with the aim of drawing all funding sources in a coordinated and predictable way around a strategy developed under the leadership of the recipient government. In other words, a fundamental change in the nature of the aid-relationship is required. Finally, the approach rests on the premise that any poverty reduction strategy, to be effective, must be country-driven and, based on widespread consultation and participation, largely “owned” by key actors on all levels of national societies.

In this section, we deal with the issues of budgetary reform, donor coordination and national ownership. Monitoring is treated in Section 5.

Budgetary reform

Objectives and main features

Budget reform is meant to improve the visibility, transparency and efficiency of public expenditures with a view to increasing the impact of public spending on poverty. Apart from giving sector ministries increased responsibility to define their priorities and elaborate their own budget based on results, the reform emphasises monitoring. The F&E Ministry retains overall control of the budget, arbitrates between the different ministries and conducts negotiations with external partners.

Under the old budget system, the Planning Ministry prepared the investment budget and the F&E Ministry dealt with the operating budget. This arrangement will be replaced by a unified budget that will be operationalised using a number of key instruments:

- a medium term expenditure framework (MTEF), taking into account both domestic and external (aid) resources, including public debt;
- public expenditure reform and credits (PERC) for sector ministries (all PERCs will eventually be integrated into the MTEF);
- an integrated computerised system for tracking public expenditures, the SYGFIP;

- a two-pronged system for financial control and monitoring: at the level of the F&E Ministry through the Direction for Financial Control responsible for oversight over all budgetary expenditures; and at the level of the Directions of Inspection and Internal Audit in each ministry. A new code for public works effective since January 2001 is also meant to increase financial control capacities.

Various fiscal reforms that began in the early 1990s will be consolidated. So far, they have focused on strengthening the fiscal administration to combat fraud, limit tax exemptions and increase fiscal revenues. Since 1994 these are on the rise: The ratio of fiscal revenues to GNP has increased from 11,7% in 1994 to 12,8% in 1996 and 16,6% in 2000, with a view to reaching the UEMOA

11

benchmark of 17% in 2002.

The reform process began in 1999 – that, prior to the PRSP initiative – when the World Bank introduced PERCs at the level of five ministries (Public Works, Environment, Rural Development, Health, Education, Social Protection and Water). Two more ministries will be included in 2002 and eventually the PERCs will cover all Government ministries and economic and social sectors.

The PERCs require an agreed policy and expenditure plan for each sector using a programme-budgeting approach (*approche budget-programme*) supported by the Government and the donors. Since there are no sector investment programmes or sector-wide approaches to speak of, the PERCs can be considered to perform a somewhat similar function.

Status of the budgetary reform (major steps)

At the time of reporting, the unified budget was not yet finalised but the five ministries that were identified in 2000 to test the reform had completed individual PERCs for 2000 and 2001, with assistance from the World Bank and other donors (e.g. European Commission). The PERCs include objectives, activities, monitoring and performance indicators within a log frame that will be revised every year (the next revision in 2002 should reflect the PRSP objectives more closely). Every three months each line ministry is supposed to produce a financial budget and a physical implementation report with performance indicators linked to poverty reduction.

The five PERCs will be integrated into the 2002-04 MTEF that will be finalised in September or October 2001 by the F&E Ministry. When the consultants were in Cotonou in June 2001, a World Bank team was conducting a Public Expenditure Review combined with a multi-sector review to assist line ministries in developing their own medium-term frameworks.¹²

Once it is ready, the unified budget will be presented to the National Assembly. Both the MTEF and the PRSP will be annexed to the unified budget.

¹¹ Data provided by the Director of F&E Ministry

¹² The next one is planned but without a date.

According to our interviews, the reform has had a number of positive effects already. The Planning Units (Directions de la Programmation et de la Prospective) in the relevant ministries interact better than before with the F&E Ministry on objectives and priorities in particular. This is a welcome change compared to the old budget system. However, it appears that increased feedback from F&E on the decisions taken would alleviate some of the frustrations felt in sector ministries.

A number of accompanying measures have been taken, in particular to strengthen the capacity of the internal and external audit functions: 17 internal auditors from the Inspection Générale des Finances (IGF) have been nominated and are being trained; the Auditor-General (Chambre des Comptes) completed the first performance audit of the PERCs in 2001. Other audits are planned in 2001 at the level of the line ministries.

The new integrated and computerised system for tracking public expenditures (SYGFIP) is in place since early 2001 with French TA, including training. Everyone concurs that the system is dysfunctional at this time and that it has set the reform process back for a number of reasons that are explained below.

Guidelines for the new budgetary system have been distributed to staff and the new Code for Public Works is being used since early 2001. We were told that the strategy to fight corruption would be “activated” in 2002. Meanwhile, the Government’s fiscal framework and UEMOA framework haven been harmonised, and a common external tariff has been in place since January 2000.

The reform has inspired initiatives in favour of Parliament: The UNDP is prepared to assist the Finance Commission by setting up a special unit to scrutinise the budget (Unité d’Analyse Budgétaire). The unit is expected to house at least three “resource persons” over a three-year period.

Limits of the financial control apparatus

A tremendous effort is being put into the budgetary reform in terms of financial and human resources to make it operational as soon as possible. The reform has potential for bringing about positive improvements in the way the budget system operates. It is considered necessary in the context of a poverty reduction strategy. Historically in Benin, however, there are limits to such initiatives as illustrated by recent comparative research on the fight against corruption (Matthieu 2001). Financial control has less been used as a means to regulate the functioning of the administration than as a political weapon by the Presidency. As a result, the apparatus is rather weak, even compared with neighbouring African countries.

GoB strategy has been to shift back and forth between the establishment of regular State mechanisms (e.g. IGF, the Directions d’Inspections et de Verification Interne/DIVI within ministries) and ad hoc measures inspired by the

BWIs (e.g. the Cellule de Moralisation de la Vie Publique¹³). The IGF was suppressed in 1976 then rehabilitated in 1993 without any resources until the very recent staff increase already mentioned. The Inspection Générale de l'État created in 1976 was suppressed in 1990 and rehabilitated in 1998 with no resources. The different DIVI are regularly used to house civil servants fallen in disgrace (often for not belonging to the political network of an incoming minister). Sometimes, these civil servants do not even have an office. In other words, ad hoc measures and institutional creations to improve transparency and accountability have become profuse to the point of duplicating each other and undermining regular state mechanisms while at the same time chronically lacking the resources to perform efficiently. (The weakness of audit mechanisms is also mentioned by US/GAO 2001:42.)

More dramatically, the impact of these control mechanisms has been limited for other reasons linked to the nature of the political system. According to the comparative study done by Marilou Matthieu:

“L’efficacité des organes de contrôle est tuée dans l’œuf par le fonctionnement en réseau, le clientélisme (politique, ethnique, religieux, familial) qui parasitent le recrutement et le plan de carrière des agents publics, autorisent les malversations, mettent en place les conditions de leur impunité ou des traitements de faveur à la place des sanctions lorsqu’ils sont poursuivis. Elle est compromise par le pouvoir discrétionnaire des plus hautes personnalités qui ont toutes latitudes pour abuser de ces organes et rend suspectes toutes les actions entreprises ... Mais au lieu de s’attaquer au problème du monopole et des pouvoirs discrétionnaires, la stratégie de la Banque mondiale favorise leur reproduction en dehors de l’État. Le souci de rendre compte a été développé, mais pas les moyens de ‘bien’ rendre compte, ce qui équivaut à ne rien faire ou à masquer la réalité” (Matthieu 2001).¹⁴

According to Matthieu’s study, the instruments that have been installed in Benin by the BWIs since the mid-1980s to improve public finance management and minimise the risks of embezzlement (such as SYDONIA for customs) have been systematically side-tracked from their original aims. Others may have increased corruption. They certainly did not stop one of the biggest corruption scandals of the last few years, the privatisation of SONACOP, the State petroleum company.

¹³ There are others, such as the Technical Committee in charge of elaborating a national strategy against corruption; ad hoc measures at the level of the F&E Ministry, etc.

¹⁴ “The effectiveness of the instruments of control is nipped in the bud by a pervasive clientelism (political, ethnic, religious and kinship-based) that feeds off the recruitment and career progression of public servants, legitimises misappropriation, fosters impunity and allows personal favours to override sanctions when they are imposed. It is compromised by the discretionary power exercised by senior public figures, who have plenty of latitude to interfere with these organs and discredit everything they attempt to do ... But rather than tackling the problem of concentrated discretionary power, the World Bank’s strategy encourages its reproduction outside the State. The concern for improved accountability has been developed, but not the means of actually achieving it, which is equivalent to doing nothing, or to masking reality” (our translation).

But the problem is pervasive. Some State mechanisms of internal control are considered to have helped to legitimise corrupt practices within the administration in the three countries studied by Matthieu. The unofficial “toll system” (i.e., racketeering) generated by the one stop shop (*guichet unique*) for tax collection is the latest of a generation of such practices. These findings are in line with other evaluations (e.g., EU/USAID 1999, US/GAO 2001, Bako-Arifari 2001).

Thus far, people interviewed are not convinced that the new budgetary procedures will substantially modify illegitimate behaviour and result in increased spending for the poor. The prevailing view is that the patronage system, combined with semi-institutionalised corruption, will stand in the way of channelling money to those who need it most.

Budgetary reform: a difficult process

Budget reform is a very difficult process for the public administration to undertake, given a tradition of poor working habits and incentives and the technical complexities of the new tools. To begin with, the reform is likely to be undermined unless it is well understood and internalised throughout the administration. Among out interviewees, only a few seemed to understand well the *raison d'être* and breadth of the reform.

Although senior civil servants welcome the initiative as a necessary move towards transparency, co-ordination and sustainability, they acknowledge staff resistance to the reform. This slows down the process considerably. Reform overload, linked to low absorptive capacities, is mentioned as the major reason generating staff resentment. Another is training, which has lagged behind the implementation of the new public expenditure system. In truth, the SYGFIP creates much frustration among staff as it is stalling implementation rather than facilitating it (we were informed this should change with the arrival of a new team of French computer specialists). Finally, shifting from an opaque system that allows abuses to go unsanctioned to a culture of transparency, with no incentives to motivate staff, is likely to take time and effort. In the case of Benin, the structure of incentives, roles and rules for the public administration does not encourage the kind of behaviour that the budget reform requires.

Bringing coherence to the various instruments around a poverty strategy

Undoubtedly, the PRSP initiative has helped to push the budget reform – which had preceded it – forward. While the decree on the reform of budgetary procedures was promulgated in 1999, it was only put into practice in 2000 and gained momentum in 2001. However, how the PERCs, the MTEF and the PRSP will fit together remains to be seen. The PRSP and the MTEF are being drafted separately, but staff from the PRSP Secretariat is also involved in drafting the MTEF. A number of interlocutors indicated that a more polyvalent team of PRSP drafters could have included social scientists to guarantee that the pro-poor aspects will be better integrated into the strategy.

Another issue relates to the implications of the PRSP/MTEF/PERCs for budget decentralisation, including learning and feedback from implementation and

service delivery levels to the decision making level. How this is going to take place without effective decentralisation is not resolved.

Donors and the “programme approach”

It is still too early to form an opinion on how much direct budget or sector support donors will provide once the PRSP becomes operational. So far, the budgetary reform launched by GoB, from 2000 onwards, as a mechanism for institutionalising the PRSP has attracted only a few donors (World Bank and European Union), using modalities that seem to be evolving towards a programme approach. Others (Denmark, the Netherlands, Switzerland) have indicated their interest and may join in once they feel confident that the advantages prevail over the risks. A third group, among them two of Benin’s most important bilateral donors (France, Germany), are much more hesitant, as the adoption of a programme approach would constitute for them a fundamental shift from established practices, implying a need to profoundly change their funding cycles, timeframes and procedures. Their hesitation also seems to be based on doubts about whether a rapid switch to a programming approach would in fact be appropriate in the existing political and administrative context.

In general, bilateral donors find it difficult to fully adhere to programme and/or sector approaches using Government planning and implementation procedures. There are nevertheless an increasing number of examples where a number of donors provide substantial sums via pooled arrangements, while the procurement and disbursement regulations of others are not yet conducive to this kind of practice.

In any case, the budget reform could help bring coherence to the various types of aid used in Benin. It could be that the three types (budget support, sector support and project aid) will coexist for some time until a critical number of donors feel confident in the new system and begin using government procedures. In the meantime, most donors are in a ‘wait and see’ mode.

So far the donor response to the capacity problem linked to the PRSP process has been threefold: to offer short and long term technical assistance (“institutional TA” for some of them); to set up parallel implementation units staffed with consultants; and to train technical staff, particularly in computer skills. This could have a high cost for GoB in the long run not only in terms of lack of “ownership” and high transaction costs, but also in terms of nurturing the “dependency” syndrome. The impact of TA is uncertain and in any case, it should be evaluated within the context of annual PRSP and sector programme reviews. The alternative would be to rely more on the capacities of better-trained local staff, which can only be a medium-term strategy.

For a given agreed policy measure, there is general tendency for GoB to reduce its own contributions to the process every time donors increase their financial engagement. The consultants feel that in Benin the PRSP process is over-financed and the risk of duplication of activities linked to the poverty strategy is

real if donors do not use the strategy as an opportunity to rationalise their own approaches and instruments.

Ownership, participation and the politics of poverty reduction

Approaches to poverty reduction in Benin

In Benin as everywhere, the concept of poverty generates a number of interpretations. As mentioned above there had been continuous debate on poverty ever since the 1990s and even before when issues were discussed under different labels like “basic needs”. Not surprisingly, views on the subject differ.

There seems to be three major positions that have been articulated in the country. The first two emphasize economic growth as a precondition for poverty reduction but differ as to how to attain this objective. For some, growth would result from developing a service and entrepôt economy catering to the needs of the region (for an elaboration of this argument, see Igué 1999). The research underlying this position has benefited from continuous donor support, mainly from France.

For others, growth would be the result of heavy, public-financed investments in infrastructure (this is the position of Espace Libéral, the DANIDA-financed pressure group already mentioned which is drafting an alternative PRSP). In both perspectives, poverty reduction would result from employment opportunities generated by economic growth.

The third position is less explicitly formulated but is the one that underlies much past government action. According to this view poverty-reduction is concomitant to improving access of the poor to essential social services, in particular health and primary education. This position seems to have received support from UNDP in particular.

GoB has not taken a clear position in this debate. Unsurprisingly, among the people interviewed, the (former) Minister of Industry, the President of the Chamber of Commerce and businessmen (but also some representatives of civil society speaking during the departmental seminars and a number of donors) take the first or second view while the Health and Education Ministries, which under HIPC II will benefit most from increased external resources, tend to take the third view. The labelling of the PRSP co-ordinating structure as the “National Commission for Development and the Fight against Poverty” simply adds up the different strand, which leaves the door open to interpretations.

Income distribution, land reform and other touchy issues are largely absent from public debate on poverty. One illustration of this is the proposed, but stalled reform of family law that would make a major impact on the economic position of divorced women. These sensitive topics are not avoided because of pressure from outside, for example by the IFIs. Rather, there seems to be a tacit understanding of most major national and foreign actors to treat poverty reduction as a purely technical rather than political issue.

As already noticed, poverty and development issues are far from dominating the public debate. Media coverage concerns predominantly what in French is called “politicians’ politics” (*la politique policienne*) and in particular political scandals. As far as the PRSP is concerned, few journalists seem to have really grasped the breath and the complexity of the approach. A similar observation can be made concerning the debate in Parliament: it seems that few MPs are informed about the PRSP, and when they are, it is often through unofficial channels or as a result a UNDP-sponsored seminar that was held in Quebec in 2000.

At the request of the President of the Finance Commission of Parliament who had been informed of the PRSP process during that seminar a “sensitisation” session was planned in July at which officials from the TS/CNLDP were to inform parliamentarians on the state of PRSP preparations. So far (26.8.01), this session has not taken place. Another opportunity for discussion should come up in a few months when the unified budget is presented to parliamentarians with the full PRSP as an annex. This would be a precedent insofar as GoB has never discussed its strategic planning in Parliament. While many Beninese doubt that MPs will be sufficiently prepared in advance to be able to enter into a meaningful debate, in the long run this precedent could indicate a larger role for Parliament in the discussion of strategic public policy choices.

Ownership and participation

Taking the operationalisation of ownership by Johnson and Wasty (1993, cited in Killick et al. 1998) as a point of departure, there is, in Benin, high ownership of the PRSP approach in the technocratic dimension, but low ownership on the three other counts.

First, as already mentioned the PRSP is driven by a small group of high-ranking, highly competent, highly motivated and hard-working civil servants who have internalised the new approach. They have been in constant contact with donors for a long time (some in the context of SAP, some in the context of SDA) and are determined to make the new approach work. Furthermore, they are convinced that the obstacles that they themselves perceive, like resistance of lower level staff within their own ministries, can be overcome.

Secondly, however, it would seem that even within the key ministries such as F&E and Planning, detailed knowledge about PRSP has remained the almost exclusive property of this core group. One might assume that the situation is no better at the level of the line ministries (beyond their Planning Units) and certainly much worse at local administrative levels. In other words, people who will eventually have to implement the new approach are much less sensitised and informed than they should to feel like they belong to a team driven by a common national goal.

Thirdly, the locus of programme initiation is clearly seen as being within the donor community, with one very high political authority being quoted as saying, in an informal conversation, “we do have to do this, don’ t we, if we want to get the money from them”. As a qualification to this statement, we might add that there

is also, in some quarters, a feeling of the BWIs finally coming on board on poverty reduction. There is certainly strong political support for the PRSP within the two ministries directly involved (F&E and Planning). Elsewhere in Government, however, the level of information does not seem to go very deep and PRSP is certainly not seen as the big issue for the incoming team in government (recall that poverty reduction figures as only one among a total of seven priorities in the GoB's Five-Year Plan, and that GoB did not wait for the finalisation of the PRSP before adopting this programme.)

One of the achievements of the new approach is that for the first time since Benin turned to multiparty democracy in 1989/90, a number of high-level technocrats have gone to some length to explain the new strategy during the seminars held at the national and provincial levels. (During the revolutionary period 1972/4 to 1989, intense information campaigns on government policies on a grassroots level were very common.) This could be seen as a first step in the right direction foreshadowing significant changes across a broader range of issues if consultations around the PRSP outside the capital Cotonou would eventually be taken a bit further (e.g., become a regular exercise and reach the local level).

In any case, the recent participation exercise has been limited and could certainly not be qualified as a "vast consultation campaign" as some would have it. The departmental seminars reached only a tiny fringe of the population, especially outside the capital (a total of around 600 people participated with only half from outside the administration, representing Benin's population of 6 million). A proposal to precede the departmental seminars by similar ones on the subprefectoral level was refused by the TS/PRSP claiming that there was no time for it. The seminars suffered from the usual shortcomings of this kind of "participative" seminars ("Round Tables"). With insufficient time for prior consultations with the base and a system of local democratic representation lacking, participants had no clear, and certainly not a democratic, mandate; the selection of participants was quite tightly controlled from the top; participation was biased towards organised interests (whereas it is well known that "the poor" are notoriously difficult to organise); and finally, the seminars had very low prioritisation capacities.

There also exists the real danger that the seminars raised expectations which, if they are not fulfilled, will even increase the general cynicism widespread among Beninese as regards the willingness and capacities of the government to effect fundamental policy reforms.

Part of the deficiencies of the departmental seminars came from the particular approach to selecting participants, which was heavily biased towards local interests to the detriment of participants who would be able to defend a national perspective. Specialists in economic policy and poverty reduction strategies, e.g. from the universities or independent research institutions, were not invited to the regional seminars. Consumer defence associations are only now being created on the national level; on the local level they do not exist. Specialists of this calibre did participate in the national forum on economic growth; however, the output of this seminar received a similar kind of severe criticism ("shopping list").

Whereas Benin's civil society was marginally involved in the discussion on PRSP, the country's political society was even more notable for its absence. Only one Member of Parliament (thus altogether 6 out of total of 83) was invited to each of the six departmental seminars. At the time of our mission, the PRSP had not been explained to Parliament. As we have said, this conforms to habitual practice: in Benin, there is no tradition for government to present its programme to Parliament and to organise a debate on it. Therefore, opposition parties within Parliament, including their finance specialists, seem to be on a very uneven level of information.

The PRSP has received limited coverage in the media, with no systematic effort to brief journalists. We found that journalists of at least one private radio station claimed to have never heard of the document. This mission feels that in view of the serious shortcoming of the participative process that we observed, it might have been worthwhile for GoB to consider an intensive media campaign (including Rural Radio with its exhaustive coverage of the country and its many programmes in local languages) as a serious complement, if not an alternative, to the approach chosen. In any case, the quality of popular consultations and participation would have certainly benefited from a much more relaxed calendar.

To conclude this point, we would like to recall that at present there is very little analytical capacity in Benin outside the central administration to address the major issues of national development that will be raised in the PRSP. Neither Parliament nor political parties (and certainly not the opposition parties) – nor civil society organisations, nor the media – are in a position to provide serious analytical feedback to Government and play a meaningful watchdog function (although the President of the CCI claimed that there was internal capacity within the Chamber). Government's traditional propensity to keep information restricted (the I-PRSP was never made public and none of our interlocutors outside the core group of technocrats and the donor community was aware of its content) does not help in this respect. This weak level of organised analytical capacity outside the central administration must seriously limit expectations as to what could realistically be expected from "popular participation".

5 PRSP monitoring and information

Benin's database for poverty analysis and monitoring is considered relatively satisfactory. Abundant literature on the subject already exists: the most recent edition of a regularly updated inventory of bibliographical references lists no less than 874 entries (République du Bénin/GTZ 1998). For the first 20 years after independence, government statistical services relied heavily on French technical assistance.

After the withdrawal of the French management in the late 1970s, and a period of decline during the 1980s, GOB undertook to rejuvenate its statistical services in the early 1990s with a strong focus on poverty-related indicators. A number of surveys and studies were completed, such as: a survey on agriculture (Ministry of Rural Development), regular surveys on living conditions in rural and urban areas (by the Ministry of Rural Development and the National Institute of Statistics and Economic Analysis/INSAE respectively), collection of employment data in the formal and informal sectors (by the Ministry of Employment and INSAE respectively) and of consumer prices until 1995 (by the Observatoire des Prix involving a number of units from different ministries).

In 1997, UNDP sponsored the publication of a *Manual of Poverty Analysis*, applied to Benin (Aho et al. 1997, now out of print and thus unavailable). In addition, the UNDP-sponsored Long-term Prospective Study (finalised in 2000) contains an important section on poverty. UNDP is also in the process of publishing results from the 2000 survey of living conditions in the rural areas (the last survey was conducted in 1994 and serves as the baseline) prepared for the Rural Development Ministry.

In order to give more coherence to the collection of social indicators, an Observatoire de Changement Social (OCS) was put in place with UNDP-support in 1990. It is located in the Cellule Technique de la Dimension Sociale du Développement (GTZ-supported) at the Planning Ministry. The OCS is a network of functional units involved in data collection and analysis. It has been partly successful in co-ordinating these activities. Its main output seems to have been the regular compilation of results from studies undertaken by the various "functional units", in the form of a bi-annual Social Report (latest edition in 1997/98) and the already mentioned Inventory. Due to late or insufficient reporting from those units, the Social Report does not always present the most recent data. In addition, INSAE has since 1992 produced a compendium of social indicators, the Tableau de Bord Social.

The information produced by OCS and the units is largely quantitative. One notable exception is the 1995 study on the perception of poverty by the poor themselves carried out by the Ministry of Rural Development with UNDP assistance. Some of the information produced by other institutions also contains qualitative information, for example the 1994 World Bank poverty assessment. Regular reporting on selected poverty issues is also done through the media, including the press, for example on the trade of children from rural to urban areas

inside and outside the country. Following a general trend in Benin's press, there is a strong urban (and even capital area) bias in these reports.

One major problem with Benin's poverty monitoring database is its low degree of local ownership. Ever since they were established in 1960, the statistical services have been supported by development partners. All surveys and studies mentioned above were either aid-financed with foreign technical assistance, or were directly conducted by donors such as the World Bank and UNDP. They were discontinued when donor support was withdrawn (like the Observatoire des Prix). An example is data collected under INSAE's Enquête Légère Auprès des Ménages (ELAM), which were produced only some years ago and already unavailable because of insufficient stocking. We were told that people who tried to obtain data kept at the Ministry of Rural Development were turned away and asked to go to UNDP.

To put it differently, after more than 10 years of donor support, the human resources and financial requirements for data analysis and monitoring still seem to overstretch GOB's own capacities. There is no reason to expect that this situation will change in the near future. On the contrary, a recent DANIDA evaluation concludes that massive technical assistance in this field is still necessary.

Another problem concerns the dissemination of findings and access to information, in particular for non-government stakeholders. Major findings of the studies were reported in the media. They were also disseminated through usually aid-financed national or departmental seminars carried out by GoB. This approach to dissemination has a long tradition in Benin, going back to the pre-1990 regime and even earlier. (This tradition has in fact also informed the recent pre-PRSP provincial seminars.) However, continuous access to the studies is difficult, certainly for the average citizen, but also for journalists, government units not directly involved in the data production and even, some time after their production, for the producing units themselves. This is in line with the general administrative routine of restricting information, which we have already referred to several times in this report.

Different "databases" (usually a collection of printed versions of studies) or documentation centres (libraries containing usually published material only, and very few published reports) are located within different government units. The 874 studies mentioned above are to be found in no less than 27 different institutions, each one of them holding only some of the studies. Access to most of these institutions is not predictable, and there is no guarantee that a particular study listed in the inventory would in fact still be available, the rate of loss being high. Out of print studies are not reprinted.

Thus, a citizen interested in a particular study has to go the administrative unit that produced it without being certain that he will succeed. For example, during our first mission it was impossible for us to get hold of the inventory mentioned above, although this is a major tool for anybody who wants to get a first overview over the state of poverty information in the county. Outside government offices,

no independent Beninese data collecting and analysing capacity exists, at least not on a national scale. The situation is obviously even worse outside Cotonou.

We have been unable to establish whether public policies have been directly or indirectly influenced by information produced by the data monitoring system, except maybe in the health sector. Key actors hold the Cellule Technique of the DSD programme to be rather marginalized within the Ministry of Planning. Evaluations have pointed out that the data produced remain on too general a level, and anyway are produced too late for informing policy. It also seems that as a rule, data collected are only analysed once, and are henceforth not used for later analyses.

The database is rapidly going out of date, with most studies stemming from the mid-1990s. The two exceptions are the Long-Term Perspective Study and the second survey of living conditions in rural areas. According to recent evaluations by DANIDA and the World Bank, the methodology for future poverty studies would need to be adjusted.

Finally, the poverty monitoring system suffers from a multiplicity of institutional arrangements caused by intra-administration fights over direct access to aid and competition between donors for leadership, as is the case elsewhere in government. The studies and surveys undertaken under the umbrella of the OCS are located in four different ministries. Major national research institutions like the Centre Beninois de Recherche Scientifique et Technique (CBRST), the Institut National de Recherche Agricole du Benin (INRAB) and the National University of Benin (UNB), are not involved.

This might be justified by the argument that the data should be produced as close to potential users as possible. However, we think that this argument is not convincing for two reasons. Firstly, as noted above, even data produced close to the presumed main user do not seem to have had a discernible impact on the strategic orientation of government policy. Secondly, it reflects a very State-centred and sector-based approach to poverty reduction, implying that the main actor in the area of, say, rural poverty is the Ministry of Rural Development. This approach to data production and storage sets up barriers to the production of a global and nationally owned poverty agenda to which different stakeholders might contribute over and above the particular ministry involved.

The I-PRSP of June 2000 has a two-page section (IV.B) on "Participation, Monitoring and Evaluation, and Coordination of the Strategy". However, it does not, in fact, contain a single sentence on monitoring and evaluation. Monitoring was neither a theme of the five preparatory studies undertaken for the full PRSP, nor seems to have been the object of debate of the various (national and regional) consultations. In June 2001, we were told that it had now been added as an item on the calendar, with a specific seminar planned for July 2001, but by late August, it does not seem to have taken place yet.

According to our interviews, the current thinking of those writing the full PRSP concentrates on a revitalisation of the OCS (for which DANIDA funding has been sought). There are also plans, with GTZ-assistance, to integrate poverty-related

indicators into the macro-economic model used by GoB (MOZARE) and to establish a QUIM (Qualitative Impact Monitoring) unit reporting directly to the TS/CNLDP.

Finally, as already mentioned, three-person regional committees (one for every two departments) have been set up in the course of the departmental seminars. These are meant not only to participate in the debate on the draft full PRSP but also to serve as structures for monitoring PRSP implementation.

6 Conclusions and implications

In our view, it would be unrealistic and even dangerous (in the sense of raising expectations that will not be fulfilled) to expect too much too fast from the PRSP approach in Benin. In the last 40 years, Benin has seen many approaches to solve the problems of underdevelopment and poverty come and go, most of them donor-driven. There is widespread scepticism, if not cynicism, on all levels of Beninese society whenever a new approach is proposed.

Many of our interview partners perceived PRSP simply as another fad or “slogan” invented by the development community which politicians are quick to pick up in order to maintain the money flowing into the country. In fact, it would announce a revolution in the aid relationship if some day GoB refused a substantial amount of aid offered on the grounds that it did not fit with its own priorities. On a seemingly more banal, but in fact symbolically highly relevant level, national ownership of the PRS might be increased if the approach was locally renamed in a way which would make it sound less like one of the innumerable labels, acronyms and jargon-words (often highly mysterious to the outsider) which the international development community is so quick to invent.¹⁵

The PRSP approach is, however, more ambitious than anything the country has experienced since the demise of Marxism-Leninism, as it aims at profoundly changing the nature of Benin’s political economy as an aid-dependent patrimonial democracy. In political science terms, nothing less than a regime change is aimed at. Its success will largely depend on the building of mutual trust, as much between donors and GoB as between the government and the population.

For this extremely ambitious objective to be realised, at least three conditions have to be fulfilled.

First, the success of the PRSP approach depends to a very large degree on meaningful changes in donor behaviour. In fact, perhaps a key focus of the PRSP approach should be on what is needed for a change of donor practices rather than primarily focusing on changing the way GOB runs business. Will PRSP be the common framework for a real country-donor partnership? With time, the reform could reflect the priorities of GOB rather than the un-co-ordinated preferences that emerge from the large number of donor projects. It could encourage donors to shed their conventional practices of creating local clienteles and of procedures such as inflexible financial cycles, ex-ante planning and centralised decision-making. However, it should be clearly recognized that some bilateral donor agencies could see a profound switch in donor-recipient-relations as a threat to their established way of doing things and, in some cases, to their very existence. The new approach can also be a threat to some UN agencies acting as intermediary between GOB and other donors.

¹⁵ It might be useful to point out that many key terms of the international development jargon – which are all in English -- are notoriously difficult to translate into other languages. A case in point is the term “ownership”.

Secondly, on the side of GoB, the poverty reduction strategy must be matched by other reforms, in particular decentralisation, civil service and the eradication of corruption. These four policy measures form a 'package' that cannot be unbundled. (This is not to say that the implementation of these other reforms is a guarantee for a success of the PRSP approach. But they are a necessary condition.)

Thirdly, a fundamental change in policy objectives and in the way the political system works cannot be the result of outside pressure alone. (There is in fact a kind of double bind in an approach that imposes ownership from the outside.) There must be groups and networks of local reformers with the necessary political weight to carry out this kind of ambitious reform programme. Certainly, local alliances of reformers would benefit from outside support. However, while individuals and small groups of local reformers can be identified, they do not seem to be linked up.

A more general implication of this point is that the concept of ownership needs to be seen as a political, and not as a purely technical term. A political strategy would consist in supporting identified local actors inside and outside the government. This is currently done in one way, as many donors each have their own local sympathisers among government officials and sections, as well as among CSOs. What needs to be developed is the capacity of local reformers to link up among themselves.

Furthermore, in our view, two major trade-offs will have to be addressed in the implementation of the PRS. Again, in both cases, having more time will help.

The first is the trade-off between the ownership and the technical complexity of the process. While the rhetoric emphasises local ownership, the substance of the new approach and instruments to implement it are quite complex. They call for massive amounts of external technical assistance to make up the deficit of local capacities, which is problematic from the ownership point of view. In fact, we are inclined to conclude that the process is too complex for immediate national ownership to be on the agenda.

The problem would be easier to address if the PRSP were the only new initiative that officials were being asked to contend with. The profusion of the different instruments introduced by the BWIs in recent years (PERs, PERCs, CAS, MTEF, PRSP), together with the exceedingly slow pace of reforms during the last ten years, have now resulted in a serious reform overload in Benin. This would indicate the need for GoB to establish some priorities among the necessary reforms and to elaborate a timeframe for their implementation.

Another major trade-off is between participation and the (perceived) need to hurry the process for accessing the financial benefits linked to the PRSP. At the moment, the participatory exercises undertaken have a very strong element of window dressing. The type of participatory approaches used were not the result of initiatives either by GoB or by CSOs, but were seen by local actors as a conditionality for access to debt relief.

In all events, advocacy of popular participation and consultation should be freed from an ideological fixation on a “civil society” which does not exist in Benin, at least not as it is described in the textbooks. It is hard to see how the present neglect of Parliament can be justified, whatever its weaknesses are. If the capacities of Parliament are weak, one should consider helping raise them. Likewise, the free circulation of information should be given much more weight as an essential prerequisite for meaningful participation. The media should play a much more important role and they also need to be trained to discuss substantive issues. This would imply a much larger preparedness of the government to share essential information, for example policy documents, with journalists.

The setting up of provincial monitoring structures is a positive first step, but they need to become effective, and complemented by effective *local* monitoring committees. Here again, no real progress can be expected without decentralisation. This must be supplemented by the reinforcement of independent users associations, for example in the education and health sectors, and their involvement in evaluations.

In this conclusion and in the report in general, we have repeatedly stressed that it would be realistic to expect positive impacts of the PRS rather in the medium, if not long term, and that the PRS must be seen in the context of other reforms, notably decentralisation, civil service reform and the fight against corruption. These reforms are necessary, if not sufficient, conditions for the success of the PRS. Another necessary, but again not sufficient, condition for success is a profound change in the nature of the aid relationship.

It might be felt that there is a contradiction between the obvious magnitude of the problems requiring a whole array of interlocking reforms and our plea for giving the process more time. To conclude, we should therefore underline that having more time will only help on the basis of clear priorities, including a calendar spelling out the sequence of reform implementation. The PRSP approach provides GoB with an opportunity to move in this direction.

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Annex 1: List of persons met

M. Cyriaque ADJINACOU	Deputy Executive Director, GERAM Conseil
M. Emmanuel ADJOVI	Journalist, News agency “Proximités”
M. AFANOU	Director, AGEFIB
M. Désiré O. AGBOTON	Economist, BCEA ; Secretary-General, “Espace Libéral”
M. Joseph G. AHANHANZO	Director of Programm and Perspective, Ministry of National Education and Scientific Research
M. Guy A. AJANOHOUN	Professor of Economics, Member of Parliament, Member of the Political Party “Renaissance du Bénin” (Tendance Houézèhouè since 22 june 2001), President of the Finance and Exchange Commission of the National Assembly
M. Ignace ALLAGNON	Deputy Permanent Secretary, CNLDP
M. Claude D’ALMEIDA	Director-General, SONAPRA; President, “Espace Liberal”
M. Seibou ASSANE	Entrepreneur; Member of Parliament, member of MADEP
M. Emmanuel ASSILAMEHOOU	Permanent Secretary, CNLDP
M. Christian ATINDEHOU	Director of Programmes and Perspectives, Ministry of Health
M. Claude BAEHREL	Principal Regional Councillor, Municipal Development Programme
M. Bani Léon BIO BIGOU	Member of Parliament, member of FARD-Alafia
M. Gilles BOKPE	Programme Officer, Swiss Cooperation Bureau
M. Bernard BRESSART	Programme Officer, Embassy of France, Cooperation and Cultural Action Service
Ms. Rosine SORI-COULIBALY	Principal Economist, UNDP Cotonou
M. Dieudonné B. DAHOUN	Director-General of Economic Affairs, Ministry of Finance
M. Patrick DAUBY	Health Expert, IUED
M. Sylvain DEGBE	Principal Economist, Embassy of Denmark
M. Romain DEGLA	Director of Planning, Min. of Planning
M. Paul DOSSOU	Entrepreneur, Director-General of SOBEMAC, former Minister of Finance
M. Mouhamadou DRAME	Principal Economist, World Bank, Cotonou
M. Jean-Baptiste ELIAS	Vice-President, National Federation of NGO of Benin (FENONG)
Ms. Ursula FUNK	Chief, Swiss Cooperation Bureau
M. Abdoulaye GOUNOU	Assistant Programme Officer, AFRICARE
M. Manfred HERR	Technical Advisor, GTZ Project “Assistance to Decentralised Planning” at the Ministry of Planning (MREPE)
M. Serge HOUNDOLO and colleagues	Administrator, Centre Africa Obota
M. John O. IGUÉ	Professor of Geography; Minister of Commerce, Industry and Employment Creation (till March 2001); Scientific director of LARES

M. Martin KLAUCKE	Economist, UNDP Cotonou
Ms. Lynn KEEYS	Programme Officer, USAID
M. KUKHAN	European Development Fund Expert, Ministry of Health
M. Jean-Louis LACUBE	Chief of Delegation, European Community
M. Francis A. LALEYE	Political Scientist, Editor of the monthly paper "Facons de voir"
M. Grégoire LAOUROU	Director-General of Budget, Ministry of Finance
M. Olaf MALCHOW	Attaché for Cooperation, Embassy of Germany
M. Démonlé Issa MOKO	Director, Maison des Collectivités Locales
M. Wassi MOUFTAOU	President, Chamber of Commerce and Industry of Benin
Ms. Ulla OLSON	Councillor/Economist, Delegation of the European Union in Benin
M. Paul ONIBON	Executive Director, GERAM Conseils
M. Richard RANDRIAMAHOLY	Resident Representative, International Monetary Fund
M. Lazare SÉHOUÉTO	Minister of Industry, Commerce and Small and Medium Enterprises (since April 2001)
M. SCHNEIDERFRITZ	Technical Advisor, GTZ project "Assistance to the Decentralisation Process"
M. S. SIEMON	First Secretary, Embassy of Germany
M. Orou Gora SOULE	Executive Director, LARES
M. Latifou SOUMANOU	Deputy Director of Planning, Ministry of Planning
Ms. Moutiatou TIDJANI épouse Toukourou	Chemist, Vice-President, «Espace Libérale»
M. Albert TINGBE-AZALOU	Professor of Sociology, National University of Benin
M. Franke TOORNSTRA	First Secretary, Embassy of the Netherlands
M. Raphiou TOUKOUROU	President, Economic and Social Council